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**Financing of the United Nations Mission for the Referendum in Western Sahara**

# Budget for the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2016 to 30 June 2017

## Report of the Secretary-General

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*Summary*

The present report contains the budget for the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 2016 to 30 June 2017, which amounts to $54,289,500, exclusive of budgeted voluntary contributions in kind in the amount of $4,032,100.

The budget provides for the deployment of 218 military observers, 27 military contingent personnel, 12 United Nations police officers, 90 international staff, 168 national staff, 18 United Nations Volunteers and 10 Government-provided personnel.

The total resource requirements for MINURSO for the financial period from 1 July 2016 to 30 June 2017 have been linked to the Mission's objective through a number of results-based frameworks, organized according to components (substantive civilian, military and support). The human resources of the mission in terms of the number of personnel have been attributed to the individual components, with the exception of the Mission's executive direction and management, which can be attributed to the Mission as a whole.

The explanations of variances in resource levels, both human resources and financial resources, have been linked, where applicable, to specific outputs planned by the Mission.

**Financial resources**

(Thousands of United States dollars, budget year is from 1 July to 30 June)

| *Category* | *Expenditures (2014/15)* | *Apportionment (2015/16)* | *Cost estimates (2016/17)* | *Variance* | |
|---|---|---|---|---|---|
| | | | | *Amount* | *Percentage* |
| Military and police personnel | 6 442.0 | 7 064.2 | 6 780.6 | (283.6) | (4.0) |
| Civilian personnel | 21 551.9 | 20 762.7 | 22 201.4 | 1 438.7 | 6.9 |
| Operational costs | 23 065.8 | 23 291.4 | 25 307.5 | 2 016.1 | 8.7 |
| **Gross requirements** | **51 059.7** | **51 118.3** | **54 289.5** | **3 171.2** | **6.2** |
| Staff assessment income | 2 275.3 | 2 116.2 | 2 347.4 | 231.2 | 10.9 |
| **Net requirements** | **48 784.4** | **49 002.1** | **51 942.1** | **2 940.0** | **6.0** |
| Voluntary contributions in kind (budgeted) | 2 967.5 | 2 071.7 | 4 032.1 | 1 960.4 | 94.6 |
| **Total requirements** | **54 027.2** | **53 190.0** | **58 321.6** | **5 131.6** | **9.6** |

**Human resources**[a]

| | *Military observers* | *Military contingents* | *United Nations police* | *International staff* | *National staff*[b] | *United Nations Volunteers* | *Government-provided personnel* | *Total* |
|---|---|---|---|---|---|---|---|---|
| **Executive direction and management** | | | | | | | | |
| Approved 2015/16 | – | – | – | 11 | 7 | – | – | 18 |
| Proposed 2016/17 | – | – | – | 11 | 7 | – | – | 18 |
| **Components** | | | | | | | | |
| Substantive civilian | | | | | | | | |
| Approved 2015/16 | – | – | 12 | 5 | – | – | 10 | 27 |
| Proposed 2016/17 | – | – | 12 | 5 | – | – | 10 | 27 |
| Military | | | | | | | | |
| Approved 2015/16 | 218 | 27 | – | 2 | – | – | – | 247 |
| Proposed 2016/17 | 218 | 27 | – | 2 | – | – | – | 247 |
| Support | | | | | | | | |
| Approved 2015/16 | – | – | – | 71 | 161 | 16 | – | 248 |
| Proposed 2016/17 | – | – | – | 72 | 161 | 18 | – | 251 |
| **Total** | | | | | | | | |
| Approved 2015/16 | 218 | 27 | 12 | 89 | 168 | 16 | 10 | 540 |
| Proposed 2016/17[c] | 218 | 27 | 12 | 90 | 168 | 18 | 10 | 543 |
| **Net change** | **–** | **–** | **–** | **1** | **–** | **2** | **–** | **3** |

[a] Represents highest level of authorized/proposed strength.

[b] Includes National Professional Officers and national General Service staff.

[c] A classification exercise of previously unclassified posts was conducted for all missions and service centres during the 2015/16 period. The results of that exercise are reflected in the present budget report, to the extent that any posts were classified at a different level (upward or downward).

The actions to be taken by the General Assembly are set out in section IV of the present report.

# I. Mandate and planned results

## A. Overall

1. The mandate of the United Nations Mission for the Referendum in Western Sahara (MINURSO) was established by the Security Council in its resolution 690 (1991). The most recent extension of the mandate was authorized by the Council in its resolution 2218 (2015), by which the Council extended the mandate until 30 April 2016.

2. The Mission is mandated to help the Security Council to achieve an overall objective, namely, a just, lasting and mutually acceptable political solution that will provide for the self-determination of the people of Western Sahara.

3. Within this overall objective, MINURSO will, during the budget period, contribute to a number of expected accomplishments by delivering related key outputs, shown in the frameworks below. The frameworks are organized according to components (substantive civilian, military and support), which are derived from the mandate of the Mission.

4. The expected accomplishments would lead to the fulfilment of the Security Council's objective within the lifetime of the Mission, and the indicators of achievement show a measurement of progress towards such accomplishments during the budget period. The human resources of MINURSO in terms of the number of personnel have been attributed to the individual components, with the exception of the Mission's executive direction and management, which can be attributed to the Mission as a whole. Variances in the number of personnel, compared with the 2015/16 budget, have been explained under the respective components.

5. With headquarters established in Laayoune, the Mission is headed by the Special Representative of the Secretary-General at the Assistant Secretary-General level. Military operations are headed by the Force Commander at the D-2 level. The Mission will continue to operate in Laayoune, at 10 locations in Tindouf and at 9 team sites at the east and west of the berm.

## B. Planning assumptions and mission support initiatives

6. The Mission's resource requirements and its concept of operations in support of mandate implementation are predicated on the continuation of the process of negotiations involving parties to the dispute seeking a political settlement of the conflict in Western Sahara, maintenance of the ceasefire and freedom of movement of United Nations personnel within Western Sahara and other countries in the region, as well as the continuing involvement of Member States, non-governmental organizations and representatives of the media in Western Sahara issues, in particular through visits to the region.

7. Accordingly, MINURSO plans to continue its observation and monitoring activities to ensure the compliance of the parties with the ceasefire agreement; provide continued support to the Personal Envoy of the Secretary-General in the performance of his functions, including assistance with the organization of meetings with the parties, political analysis and advice, and logistical support during his visits to the region; facilitate the work of the Office of the United Nations High Commissioner for Refugees (UNHCR) in implementing and seeking to expand the

programme of confidence-building measures; provide logistical support to the African Union representatives in Laayoune; and conduct humanitarian mine action activities to the east of the berm in cooperation with a commercial contractor. In this regard, the Mission envisages the release of 5 million square metres of minefields and suspected hazardous areas through technical survey, manual and mechanical demining. In addition, the Mission will continue to maintain liaison with both parties to the conflict on mine action initiatives and provide landmine and explosive remnants of war safety training to MINURSO personnel. Mine action capacity development efforts will be bolstered through the deployment of a consultant who will work with local mine action stakeholders, including the Saharawi Mine Action Coordination Office, five times during the fiscal year. Demining activities to the west of the berm will continue to be conducted by the Royal Moroccan Army.

8. The Mission will continue to build on the progress achieved in the area of information management with the Geneva International Centre for Humanitarian Demining by consistently updating and evaluating the quality of data contained in the Information Management System for Mine Action database and by providing refresher training to mine action stakeholders, as required.

9. The MINURSO mandate of monitoring the ceasefire is maintained through ground and aerial patrols by United Nations military observers deployed in a mission area of 266,000 square kilometres. The Mission will continue to support family visits under the UNHCR confidence-building measures programme through the provision of United Nations police officers and military medical unit personnel to monitor the visits.

10. During the budget period, the Mission will provide effective and efficient support to enable the substantive and military components to continue their operations. In this context, it is assumed that the parties will continue to provide the Mission with facilities and services as voluntary contributions, as in previous years.

11. The full authorized strength of the MINURSO military component is 245 personnel, including the Force Commander, military clerks and medical unit officers. The Mission faces an increase in monitoring challenges with the existing military component, which is related to the growth in military dispositions west of the berm in response to a regional threat. The police component consists of 12 United Nations police officers.

12. The proposed civilian staffing establishment of the Mission will comprise 286 personnel, including 90 international staff, 168 national staff, 18 United Nations Volunteers and 10 Government-provided personnel. It reflects an increase of three post and positions consisting of establishment of Field Service post in the Security Section in order to provide safety and security needs of the Mission and other United Nations agencies resulting from the changed political and security climate and two United Nations Volunteer positions to maintain the proposed support hub in the east of the berm.

13. The Mission's military observers are running a tight patrolling schedule, amounting to over 100,000 kilometres of ground patrols per month, plus between 40 and 50 helicopter patrols, with observers visiting more than 250 headquarters units, as well as more than 1,500 subunits every month. In addition, evolving operational requirements linked to the changing political and security environment require the Mission to establish a logistic and maintenance support hub in Tifariti, to provide timely support to the five team sites located east of the berm. This reorganization

which requires the recruitment of two United Nations Volunteers to serve as generator mechanic and fuel assistant, respectively, will increase the Mission's resilience capabilities and enable the sustenance of the five team sites for up to three months, should movement of personnel and supplies be restricted abruptly. The full self-reliance of the five team sites east of the berm is required to sustain operational viability in case of a sudden deterioration of security and freedom of movement.

14. The Department of Safety and Security predicted a possible deterioration of the security situation in the area east of the berm due to reported increase of smuggling and other criminal activities linked to jihadist groups. The current structure of MINURSO is missing the security information gathering and analysis capability. In line with this situation, the Mission is proposing to establish a Field Service post. The proposed post will provide security information analysis and security threat assessment for all United Nations personnel and eligible dependants. The incumbent will also be responsible for security information gathering, collection and analysis, as well as for coordination with other sections/components in the Mission.

15. The Mission will continue its efforts in the effective implementation of the International Public Sector Accounting Standards (IPSAS) and Umoja Extension 1 activities on travel and training, facility upgrading at team sites and asset replacements. The Mission will also continue to seek to enhance its support chain management organizational structure.

16. Infrastructure projects in the team sites east of the berm require the mobilization of heavy equipment through rough terrain, and the deployment of international staff. In order to capitalize on the utilization of equipment and operators, while mitigating the shortage of international staff, the Mission plans to combine projects within one location. The installation of 100-man field kitchens and the installation of a wastewater treatment plant will be implemented. The civil site work for both projects will also be completed during the same period.

17. A maintenance and logistic support hub will also be established in Tifariti, east of the berm, to strengthen the Mission's resilience capacity and operational viability for up to three months, in case of a sudden deterioration of security and freedom of movement conditions.

18. The Mission strengthened the greening committee (a group of staff that looks at simple cost-effective ways in which the Mission can change its work practices to lessen its impact on the environment) by appointing new members from the support and the military components. The committee will ensure that all the Mission's activities are conducted in an environmentally compliant manner through sensitization, oversight and monitoring of all Mission civilian and military staff.

19. The Mission will seek efficiency gains in power consumption through efficient analysis of statistical data collected based on the monthly power consumption from the national power grid and operational appliances, and through proper monitoring of electric power utilization.

20. The estimated resources requirements for the maintenance of the Mission for the 2016/17 financial period represent a 6.2 per cent ($3,171,200) increase compared with the 2015/16 budgetary level. It reflects the increase in resource requirements with respect to civilian personnel, attributable primarily to a lower vacancy rate applied in the computation of international staff costs combined with an increase of 4.3 per cent in the revised salary scale effective 1 July 2016, and a

7.4 per cent increase in the local salary scale with respect to national General Service staff as well as increase in resource requirements under operational costs attributable primarily to air transportation, owing to the projected increased costs under a new contract to be established for the Mission's aircraft fleet once the existing contracts expire. The overall increase in the resource requirements was offset in part by reduced requirements for military and police personnel, owing to the application of higher vacancy rates based on the historical pattern of the Mission.

21. The Mission is not expecting any major impending external factors that may affect the achievement of the targets set for the budget period.

## C. Regional mission cooperation

22. The Mission will continue to work closely with the Regional Service Centre in Entebbe, Uganda, and the United Nations Global Service Centre at Brindisi, Italy, as well as neighbouring missions to explore opportunities for cooperation that may lead to increased efficiencies. MINURSO is utilizing the Global Service Centre's Service for Geospatial, Information and Telecommunications Technologies remote mission support to provide remote management and system monitoring to the Mission's team sites and the Tindouf Liaison Office. The Global Service Centre has provided aviation safety training to Mission personnel and also carried out surveys to locate suitable locations for deep-water drilling. In addition, the Centre is assisting the development of renewable energy sources of which MINURSO is one of the pilot projects.

## D. Partnerships, country team coordination and integrated missions

23. The Mission provides logistical support on a cost-reimbursable basis to the UNHCR confidence-building measures programmes of family visit exchanges between the area west of the berm and the refugee camps in Tindouf, Algeria. In addition, the Special Representative of the Secretary-General acts as the designated official for security in Western Sahara and the Tindouf area. The Mission's Liaison Office in Tindouf will continue to provide security briefings as a focal point for security-related issues to UNHCR, the World Food Programme, the United Nations Children's Fund, the International Committee of the Red Cross and the International Committee of the European Commission Humanitarian Office. The Mission will also continue to work closely with all stakeholders in the mission area, namely, the African Union, United Nations agencies and international non-governmental organizations.

## E. Results-based-budgeting frameworks

24. In order to facilitate the presentation of proposed changes in human resources, six categories of possible action with respect to staffing have been identified. A definition of the terminology with respect to the six categories is contained in annex I.A to the present report.

### Executive direction and management

25. Overall mission direction and management are to be provided by the immediate Office of the Special Representative of the Secretary-General.

Table 1
**Human resources: executive direction and management**

| | *International staff* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *USG-ASG* | *D-2-D-1* | *P-5-P-4* | *P-3-P-2* | *Field Service* | ***Subtotal*** | *National staff*[a] | *United Nations Volunteers* | ***Total*** |
| **Office of the Special Representative of the Secretary-General** | | | | | | | | | |
| Approved posts 2015/16 | 1 | 1 | 2 | 2 | 1 | 7 | 2 | – | **9** |
| Proposed posts 2016/17 | 1 | 1 | 2 | 2 | 1 | 7 | 2 | – | **9** |
| **Net change** | – | – | – | – | – | – | – | – | – |
| **Tindouf Liaison Office** | | | | | | | | | |
| Approved posts 2015/16 | – | 1 | – | – | 3 | **4** | 5 | – | **9** |
| Proposed posts 2016/17 | – | 1 | – | – | 3 | **4** | 5 | – | **9** |
| **Net change** | – | – | – | – | – | – | – | – | – |
| **Total** | | | | | | | | | |
| Approved posts 2015/16 | 1 | 2 | 2 | 2 | 4 | **11** | 7 | – | **18** |
| Proposed posts 2016/17 | 1 | 2 | 2 | 2 | 4 | **11** | 7 | – | **18** |
| **Net change** | – | – | – | – | – | – | – | – | – |

[a] Includes National Professional Officers and national General Service staff.

**Component 1: substantive civilian**

26. The Mission's substantive civilian component will continue to monitor and report on political and security developments in the Territory and the region and advise and assist the Personal Envoy of the Secretary-General in his efforts to bring the parties to a political settlement of the final status of and conflict over Western Sahara. It will continue to support the confidence-building measures programme that is managed by UNHCR; work to mitigate the threats posed by explosive remnants of war and landmines; ensure the safety of United Nations personnel and property; and provide assistance to the African Union Office.

| *Expected accomplishments* | *Indicators of achievement* |
|---|---|
| 1.1 Progress towards political settlement of the final status of Western Sahara | 1.1.1 The Personal Envoy of the Secretary-General provides briefings to the Security Council on his activities and on developments in and relating to the Mission's area of responsibility (2014/15: 2; 2015/16: 2; 2016/17: 2) |

*Outputs*

- Provision of political briefings, field visits and escort for visiting delegations of Member States and representatives of international, governmental and media organizations to Laayoune and Tindouf, as requested
- Publication of one report of the Secretary-General to the Security Council

- Political analyses, advice and logistical support for visits to the region by the Personal Envoy of the Secretary-General
- Weekly briefings to the Core Group, monthly meetings with the security management team and quarterly meetings with the Group of Friends, parties to the conflict and local authorities to discuss the situation on the ground and periodic updates on political and security developments in the country
- 320 media summaries on regional and international issues related to Western Sahara

| *Expected accomplishments* | *Indicators of achievement* |
|---|---|
| 1.2 The UNHCR-led confidence-building measures programme is currently on hold. Once resumed, the expected accomplishment will concern progress towards the resolution of humanitarian issues, in particular those related to refugees | 1.2.1 Maintenance of the number of family members involved in refugee family visits (one-way trips) (2014/15: 2,100; 2015/16: programme on hold (2,100); 2016/17: programme on hold) |

*Outputs*

- Observing, accompanying and facilitating 20 visits, including those of 2,100 family members for UNHCR family exchange visits between Tindouf and the Territory by MINURSO United Nations police officers, including assisting with medical evacuation of the beneficiaries and visiting them at the hospital
- Provision of MINURSO military medical personnel at Laayoune, Dakhla and Tindouf airports and onboard UNHCR flights in support of 20 family exchange visits between Tindouf and the Territory
- Formal and informal bimonthly meetings and briefings with UNHCR to review implementation of the confidence-building measures programme

| *Expected accomplishments* | *Indicators of achievement* |
|---|---|
| 1.3 Reduction of the threat posed by landmines and explosive remnants of war | 1.3.1 Facilitation of the monitoring of the ceasefire to ensure the safe passage for the local population and United Nations personnel in area of land to the east of the berm which is free of known landmines/explosive remnants of war (2014/15: 8,550,000 $m^2$; 2015/16: 5,000,000 $m^2$; 2016/17: 5,000,000 $m^2$ of surface and subsurface area)<br><br>The expected productivity in 2016/17 remains the same as for 2015/16 and is attributable to the same terrain, surface and subsurface area in which demining teams will operate, along with the incorporation of different landmine/explosive remnants of war clearance methodologies into demining operations |

*Outputs*

- Release of 5,000,000 square metres of minefields and suspected hazardous areas through technical survey, manual and mechanical demining
- 50 quality assurance assessment visits to landmine/explosive remnants of war clearance teams (one mechanical clearance team, two multitasking teams and one survey/community liaison team) to the east of the berm

- Maintenance of an emergency response capacity 24 hours a day, 7 days a week, to assist with any threats related to landmines and/or explosive remnants of war to the east of the berm
- Provision of advice and technical assistance to both the Royal Moroccan Army and the Frente Polisario authorities as requested for coordination and information-sharing, and to strengthen and develop local mine action capacities to both sides of the berm through a total of 6 demining coordination meetings (2 with the Royal Moroccan Army west of the berm and 4 with the Frente Polisario east of the berm)
- Maintenance and updating of the Information Management System for Mine Action within 30 days from the completion of demining tasks to ensure that the Mission has the most up-to-date information on threats of landmines/explosive remnants of war
- Provision of landmine safety and awareness education briefings to all newly appointed and rotated MINURSO civilian and military personnel on arrival; presentation of 9 landmine safety and awareness refresher briefings at MINURSO team sites
- Verification of patrol routes from instructions by the Military Joint Operations Centre to ensure safety of movement for military observers; and verification of transport corridors requested by the Frente Polisario authorities to ensure safe movement of local, nomadic and refugee populations

*External factors*

Effects of adverse weather conditions and change in political climate would hamper the scheduled demining programme and cause a temporary cessation of activities. The parties will continue to cooperate with the Mission

Table 2
**Human resources: component 1, substantive civilian**

| *Category* | | | | | | | | | | ***Total*** |
|---|---|---|---|---|---|---|---|---|---|---|
| *I. United Nations police* | | | | | | | | | | |
| Approved 2015/16 | | | | | | | | | | **12** |
| Proposed 2016/17 | | | | | | | | | | **12** |
| **Net change** | | | | | | | | | | **–** |
| *II. Government-provided personnel* | | | | | | | | | | |
| Approved 2015/16 | | | | | | | | | | **10** |
| Proposed 2016/17 | | | | | | | | | | **10** |
| **Net change** | | | | | | | | | | **–** |
| | *International staff* | | | | | | | | | |
| *III. Civilian staff* | *USG-ASG* | *D-2-D-1* | *P-5-P-4* | *P-3-P-2* | *Field Service* | ***Subtotal*** | *National staff* | *United Nations Volunteers* | ***Total*** |
| **Political Affairs Section** | | | | | | | | | |
| Approved posts 2015/16 | – | – | 2 | 2 | 1 | 5 | – | – | **5** |
| Proposed posts 2016/17 | – | – | 2 | 2 | 1 | 5 | – | – | **5** |
| **Net change** | – | – | – | – | – | – | – | – | **–** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Subtotal, civilian staff** | | | | | | | | | |
| Approved posts 2015/16 | – | – | 2 | 2 | 1 | 5 | – | – | 5 |
| Proposed posts 2016/17 | – | – | 2 | 2 | 1 | 5 | – | – | 5 |
| **Net change** | – | – | – | – | – | – | – | – | – |
| **Total (I-III)** | | | | | | | | | |
| Approved 2015/16 | | | | | | | | | 27 |
| Proposed 2016/17 | | | | | | | | | 27 |
| **Net change** | | | | | | | | | – |

**Component 2: military**

27. As described in the framework below, the military component of the Mission will continue to monitor compliance of the parties with the ceasefire agreement and support the civilian component's efforts to reduce the mine and unexploded ordnance threat on both sides of the berm. The main priorities for the 2016/17 period will be inspection of the armed forces units' headquarters, conduct of air and land patrols to ensure adherence to the ceasefire agreement, monitoring the destruction of mines and unexploded ordnance to the west of the berm and marking hazardous areas found during regular patrols.

| *Expected accomplishments* | *Indicators of achievement* |
|---|---|
| 2.1 Compliance of the parties with the ceasefire agreement | 2.1.1 No serious violations of ceasefire and military agreements (2014/15: 0; 2015/16: 0; 2016/17: 0) |

*Outputs*

- 35,676 United Nations military observers mobile patrol person-days, including day and night patrols (4 United Nations military observers per patrol x 27 patrols per day x 313 days and 4 United Nations military observers per patrol x 9 patrols per day x 52 days)
- 832 United Nations military observers' liaison visits to headquarters of the armed forces of both parties (4 United Nations military observers per visit x 4 visits per week x 52 weeks)
- 1,118.4 air patrol hours from 9 team sites for inspection of 1,170 headquarters and 8,446 subunits (46.6 hours per helicopter per month x 2 helicopters x 12 months)
- Investigation of all alleged violations of the ceasefire agreement by either party

*External factors*

Willingness of the parties to refrain from hostile activities and continued stability of the security situation

Table 3
**Human resources: component 2, military**

| *Category* | *Total* |
|---|---|
| *I. Military observers* | |
| Approved 2015/16 | **218** |
| Proposed 2016/17 | **218** |
| **Net change** | – |
| *II. Military contingents* | |
| Approved 2015/16 | **27** |
| Proposed 2016/17 | **27** |
| **Net change** | – |

| | *International staff* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *III. Civilian staff* | *USG-ASG* | *D-2-D-1* | *P-5-P-4* | *P-3-P-1* | *Field Service* | ***Subtotal*** | *National staff* | *United Nations Volunteers* | ***Total*** |
| **Office of the Force Commander** | | | | | | | | | |
| Approved posts 2015/16 | – | 1 | – | – | 1 | **2** | – | – | **2** |
| Proposed posts 2016/17 | – | 1 | – | – | 1 | **2** | – | – | **2** |
| **Net change** | – | – | – | – | – | – | – | – | – |
| **Subtotal, civilian staff** | | | | | | | | | |
| Approved posts 2015/16 | – | 1 | – | – | 1 | **2** | – | – | **2** |
| Proposed posts 2016/17 | – | 1 | – | – | 1 | **2** | – | – | **2** |
| **Net change** | – | – | – | – | – | – | – | – | – |
| **Total (I-III)** | | | | | | | | | |
| Approved 2015/16 | | | | | | | | | **247** |
| Proposed 2016/17 | | | | | | | | | **247** |
| **Net change** | | | | | | | | | – |

**Component 3: support**

28. As described in the framework below, 257 military and police personnel and 286 civilian personnel will be provided with effective and efficient logistical, managerial, administrative and security support for the Mission. In the delivery of services, the component will deliver various outputs, improve on services and realize efficiency gains, while at the same time ensuring that cross-cutting issues, including gender and HIV awareness, are addressed. In addition, logistical support will be provided to the African Union Office in Laayoune. Support services will also include implementation of conduct and discipline policies, personnel administration, health care for all personnel, construction, renovation and maintenance of facilities, communications and information technology, air and ground transportation services, supply operations and provision of security for the whole Mission.

| *Expected accomplishments* | *Indicators of achievement* |
|---|---|
| 3.1 Effective and efficient logistical, managerial, administrative and security support for the Mission | 3.1.1 Restructuring of the support component of the Mission through implementation of civilian staffing review recommendations |
| | 3.1.2 Improved living accommodation at all team sites |

*Outputs*

**Service improvements**

- Integration between the military and civilian components in the area of aviation, safety and communications and information technology services
- Coordination of phased arrival of military observers to the Mission to allow for the establishment of consolidated induction training twice a month
- Establishment of the Integrated Mission Efficiency Monitoring Committee to look into cross-cutting measures and issues within the Mission to achieve efficiencies and service improvements

**Military, police and civilian personnel**

- Emplacement, rotation and repatriation of an average strength of 27 military contingent personnel, 218 military observers, 12 United Nations police officers
- Monthly verification, monitoring, inspection and reporting of United Nations-owned equipment, expendable and non-expendable equipment, and maintaining accountability through the target key performance indicators in 30 areas of property management
- Monthly verification, monitoring and inspection of contingent-owned equipment and self-sustainment for the level 1 clinic/hospital, with additional dental, X-ray and laboratory capability
- Storage and supply of 212 tons of rations, 2,500 combat rations packs and 480,900 litres of bottled water for military contingent and formed police personnel in 10 locations

**Facilities and infrastructure**

- Maintenance and repair of 9 military team sites and 5 United Nations premises, including MINURSO headquarters, the Tindouf Liaison Office, the MINURSO logistics base, the Communication and Training Centre and the Communication Relay Site
- Storage and supply of 925,400 litres of petrol, oil and lubricants for generators
- Operation and maintenance of 20 United Nations-owned water purification plants in 10 locations
- Operation and maintenance of 76 United Nations-owned generators in 13 locations
- Operation and maintenance of 9 United Nations-owned wastewater treatment systems in 9 locations
- Maintenance of 4 airfields and 8 helicopter landing sites in 8 locations
- Installation of 100-men field kitchens and civil site works at team sites east of the berm (Bir Lahlou)
- Installation of wastewater treatment plant and civil site works at team sites east of the berm (Bir Lahlou)

**Ground transportation**

- Operation and maintenance of 334 United Nations-owned vehicles, including 178 light passenger vehicles, 48 special purpose vehicles, 4 ambulances, 31 items of engineering and material handling equipment, 8 trailers, 37 vehicle attachments and 28 other vehicles through 7 workshops in 6 locations, 2 in Laayoune, 1 each at Tindouf Liaison Office, Smara, Oum Dreyga, Awsard and Tifariti
- Supply of 568,200 litres of petrol, oil and lubricants for ground transportation
- Operation of a daily shuttle bus service 7 days a week for an average of 80 United Nations personnel per day between their accommodation and the MINURSO office sites within the Laayoune mission area
- Operation of a shuttle bus service on weekdays for up to 18 persons from accommodation in Laayoune area to Laayoune airport for outgoing and incoming personnel dependent upon the flight plan
- Provision of transportation services for Mission VIPs on a daily basis, and VIPs and other visitors on an ad hoc basis

**Air transportation**

- Operation and maintenance of 2 fixed-wing and 2 rotary-wing aircraft, in 10 locations
- Supply of 2.9 million litres of petrol, oil and lubricants for air operations
- Operation and maintenance of 4 aviation fuel stations in team sites Awsard, Oum Dreyga, Tifariti and Mahbas

**Communications**

- Support and maintenance of a satellite network consisting of 1 Earth station hub to provide voice, fax, video and data communications throughout the mission area and with headquarters
- Support and maintenance of 10 very small aperture terminal (VSAT) systems to provide voice and data communication for team sites and Tindouf Liaison Office
- Support and maintenance of 1 trailer mount VSAT, 4 telephone exchanges, 5 microwave links, 3 videoconferencing equipment, and 6 narrowband digital radio systems
- Support and maintenance of 600 handheld portable radios, 314 very-high frequency (VHF) mobile radios, 65 VHF base radios, 32 VHF repeaters, 179 high frequency (HF) mobile radios, and 35 HF base station radios

**Information technology**

- Support and maintenance of 16 servers, 364 desktop computers, 199 laptop computers, 158 printers and 45 digital senders
- Support and maintenance of 12 local area networks (LAN) and wide area networks (WAN) for 475 users in 15 locations
- Support and maintenance of 12 wireless networks
- Support and maintenance of 4 identification card systems
- Support and maintenance of surveillance cameras in 12 locations, 2 X-ray machines and 2 walk-through metal detectors

**Medical**

- Operation and maintenance of 1 level I-plus hospital that includes 3 aeromedical evacuation modules, 1 dental clinic, 1 laboratory, 1 X-ray unit and 1 level 1 medical facility, as well as 3 forward medical teams and emergency and first aid stations in 3 locations for all Mission personnel, staff of other United Nations agencies and the local civilian population in emergency cases
- Maintenance of Mission-wide land and air evacuation arrangements for all United Nations locations, including level I, II, III and IV hospitals distributed among 6 locations
- Complete medical check-ups for both incoming and outgoing personnel, as per the updated MINURSO standard operating procedures
- HIV sensitization programme, including peer education, for all Mission personnel
- Operation and maintenance of HIV voluntary confidential counselling and testing facilities for all personnel of the Mission
- H1N1 and general pandemic flu briefing updates and awareness for all incoming personnel
- Updated vaccination plan for United Nations military observers specific for the mission area
- Health promotion through continuous medical education by conducting various training sessions and health lectures
- Advanced laboratory services provided through contracting with a local laboratory in the mission area

**Security**

- Provision of security services 24 hours a day 7 days a week for all Mission locations
- Mission-wide site security assessment, including minimum operating residential security standards assessments for residences of all United Nations international staff in Laayoune, facility security surveys for 19 United Nations offices in the mission area, and security survey for hotels used by United Nations personnel in the mission area
- Provision of security briefing for all newly arrived personnel under the United Nations security management system
- Conduct of a total of 16 information sessions on security awareness and contingency plans for all United Nations personnel, and 12 information sessions during security management team meetings, in addition to daily, weekly, monthly, quarterly information analyses and warden meetings and conferences
- Conduct of periodical security training and warden system relocation/evacuation exercises for United Nations personnel in Laayoune, Tindouf and 9 team sites
- Conduct of annual safe and secure approaches in field environment training in Laayoune and in Tindouf
- Conduct of annual warden system for relocation/evacuation exercises for all personnel under the United Nations security management system, in Laayoune and Tindouf, and 9 team sites
- Induction security training and primary fire training/drills for all new Mission staff
- Periodical fire training: weekly fire safety briefings, monthly safety inspections, quarterly fire training in Laayoune, Tindouf and 9 team sites
- Semi-annual fire evacuation drill exercises for United Nations personnel in 19 offices/compounds

*External factors*

Parties to conflict will continue to allow freedom of movement to Mission personnel. Suppliers will supply goods and services, as contracted

Table 4
**Human resources: component 3, support**

| | International staff | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *Civilian staff* | *USG-ASG* | *D-2-D-1* | *P-5-P-4* | *P-3-P-2* | *Field Service* | ***Subtotal*** | *National staff*[a] | *United Nations Volunteers* | ***Total*** |
| **Conduct and Discipline Unit** | | | | | | | | | |
| Approved posts 2015/16 | – | – | 1 | – | – | **1** | 1 | – | **2** |
| Proposed posts 2016/17 | – | – | 1 | – | – | **1** | 1 | – | **2** |
| **Net change** | – | – | – | – | – | – | – | – | – |
| **Security Section** | | | | | | | | | |
| Approved posts 2015/16 | – | – | 1 | 1 | 5 | **7** | 40 | – | **47** |
| Proposed posts 2016/17 | – | – | 1 | 1 | 6 | **8** | 40 | – | **48** |
| **Net change** | – | – | – | – | **1** | **1** | – | – | **1** |
| **Mission Support Division** | | | | | | | | | |
| Approved posts 2015/16 | – | 1 | 6 | 8 | 48 | **63** | 120 | 16 | **199** |
| Proposed posts 2016/17 | – | 1 | 6 | 8 | 48 | **63** | 120 | 18 | **201** |
| **Net change** | – | – | – | – | – | – | – | **2** | **2** |
| **Subtotal, civilian staff** | | | | | | | | | |
| Approved posts 2015/16 | – | 1 | 8 | 9 | 53 | **71** | 161 | 16 | **248** |
| Proposed posts 2016/17 | – | 1 | 8 | 9 | 54 | **72** | 161 | 18 | **251** |
| **Net change** | – | – | – | – | **1** | **1** | – | **2** | **3** |

[a] Includes National Professional Officers and national General Service staff.

*United Nations Volunteers: increase of 2 positions*

**Surface Transportation Section**

*United Nations Volunteers: increase of 1 position*

29. In April 2015, the Mission encountered unforeseen restriction of movement in team sites east of the berm. A contingency plan was formulated to temporarily sustain the relevant team sites for a three-month period. The plan consisted of adding an additional 45,000 litres of fuel in bladders. Subsequently, on the basis of lessons learned, the Mission's senior management decided to establish a hub in team site Tifariti and to maintain the emergency measures permanently in order to address similar future occurrences. In order to enable the Mission to maintain its current and additional responsibilities, it is proposed that the Surface Transportation Section, with its current authorized strength of 44 posts and positions (11 Field Service, 29 national General Service and 4 United Nations Volunteer) be strengthened through

the establishment of one United Nations Volunteer position of Fuel Assistant, the incumbent of which will be located east of the berm and rotate between the five team sites east of the berm. The incumbent will undertake the monthly maintenance and repair of fuel bladders and tanks, record fuel consumption on a weekly basis, prepare team sites for the new electronic fuel systems equipment and prepare team sites for the transition from bladders to tank, as well as train team sites military personnel on best practices with respect to fuel accounting, equipment handling and fraud prevention.

**Engineering Section**

*United Nations Volunteers: increase of 1 position*

30. As a result of the situation that presented itself in April 2015 and the measures taken by the senior management of the Mission (see para. 29 above), and in order to enable the Mission to maintain its current and additional responsibilities, it is proposed that the Engineering Section with its current authorized strength of 35 posts and positions (1 P-4, 1 P-3, 8 Field Service, 21 national General Service and 4 United Nations Volunteer) be strengthened through the establishment of one United Nations Volunteer position of Generator Mechanic, the incumbent of which will be located east of the berm and rotate between the five team sites east of the berm. The Engineering Section provides security engineering support to the Mission, which includes planning, construction and maintenance services as well as general installation, operation and maintenance of power generators, electrical installation, water treatment plants, wastewater treatment plants, sanitation facilities, maintenance of runways and helipads, replacement of weather haven structures with prefabricated buildings and installation and connection of fuel tanks. The incumbent will install new generators, maintain the power supply systems, diagnose and troubleshoot causes of malfunctions and provide scheduled routine and preventative maintenance.

**Security Section**

*International staff: increase of 1 post*

31. The Security Section, with its currently authorized staffing establishment of 47 posts (1 P-4, 1 P-3, 5 Field Service and 40 national General Service), provides all security services to the Mission and comprises a Security Information Coordination Centre, Security Investigation Unit, a Security Operations and Fire Safety Unit, a Security Training Unit, a Guard Force Unit and the Tindouf Liaison Office in Algeria. The Section also provides security services for all Mission staff, including information coordination and analysis, daily, weekly and monthly security information analysis reports; threat and risk analysis assessment; updates of security risk assessments, country security plans, minimum operating security standards and minimum operating residential security standards, security threat assessment and security level system; preparation of security management team minutes, liaison with the Mission's military and police components; security information exchange and coordination with the Department of Safety and Security and neighbouring countries. The Mission does not currently have the capacity for security information analysis, since the Field Service post was abolished based on the civilian staffing review. In the context of the heightened security threat environment in which the Mission now operates, it is proposed that the Security Section be strengthened through the establishment of one Field Service post of Security Officer. The incumbent will

provide security information analysis and threat assessment for all United Nations personnel and eligible dependants under the United Nations security management system. He or she will be responsible for security information gathering, collection and analysis, as well as coordination with other components of the Mission.

# II. Financial resources

## A. Overall

(Thousands of United States dollars. Budget year is 1 July to 30 June.)

| Category | Expenditures (2014/15) | Apportionment (2015/16) | Cost estimates (2016/17) | Variance | |
|---|---|---|---|---|---|
| | | | | Amount | Percentage |
| | (1) | (2) | (3) | (4) = (3)-(2) | (5) = (4)÷(2) |
| **Military and police personnel** | | | | | |
| Military observers | 5 377.1 | 5 911.1 | 5 776.6 | (134.5) | (2.3) |
| Military contingents | 956.6 | 907.1 | 896.6 | (10.5) | (1.2) |
| United Nations police | 108.3 | 246.0 | 107.4 | (138.6) | (56.3) |
| Formed police units | – | – | – | – | – |
| **Subtotal** | **6 442.0** | **7 064.2** | **6 780.6** | **(283.6)** | **(4.0)** |
| **Civilian personnel** | | | | | |
| International staff | 15 750.2 | 15 067.5 | 16 189.0 | 1 121.5 | 7.4 |
| National staff | 5 312.3 | 5 153.7 | 5 450.4 | 296.7 | 5.8 |
| United Nations Volunteers | 468.2 | 482.2 | 502.9 | 20.7 | 4.3 |
| General temporary assistance | – | – | – | – | – |
| Government-provided personnel | 21.2 | 59.3 | 59.1 | (0.2) | (0.3) |
| **Subtotal** | **21 551.9** | **20 762.7** | **22 201.4** | **1 438.7** | **6.9** |
| **Operational costs** | | | | | |
| Civilian electoral observers | – | – | – | – | – |
| Consultants | 9.6 | 15.0 | 25.0 | 10.0 | 66.7 |
| Official travel | 584.9 | 670.4 | 725.2 | 54.8 | 8.2 |
| Facilities and infrastructure | 2 379.0 | 2 979.8 | 3 197.8 | 218.0 | 7.3 |
| Ground transportation | 1 635.3 | 1 090.1 | 1 426.4 | 336.3 | 30.9 |
| Air transportation | 10 461.8 | 10 699.8 | 12 185.2 | 1 485.4 | 13.9 |
| Naval transportation | – | – | – | – | – |
| Communications | 1 395.1 | 1 774.8 | 1 703.8 | (71.0) | (4.0) |
| Information technology | 1 499.2 | 1 313.2 | 1 346.0 | 32.8 | 2.5 |
| Medical | 91.9 | 158.5 | 158.5 | – | – |
| Special equipment | – | – | – | – | – |
| Other supplies, services and equipment | 5 009.0 | 4 589.8 | 4 539.6 | (50.2) | (1.1) |
| Quick-impact projects | – | – | – | – | – |
| **Subtotal** | **23 065.8** | **23 291.4** | **25 307.5** | **2 016.1** | **8.7** |
| **Gross requirements** | **51 059.7** | **51 118.3** | **54 289.5** | **3 171.2** | **6.2** |
| Staff assessment income | 2 275.3 | 2 116.2 | 2 347.4 | 231.2 | 10.9 |
| **Net requirements** | **48 784.4** | **49 002.1** | **51 942.1** | **2 940.0** | **6.0** |
| Voluntary contributions in kind (budgeted)[a] | 2 967.5 | 2 071.7 | 4 032.1 | 1 960.4 | 94.6 |
| **Total requirements** | **54 027.2** | **53 190.0** | **58 321.6** | **5 131.6** | **9.6** |

[a] Cost estimates for 2016/17 are inclusive of $2,884,139 from the Government of Morocco, $162,842 from the Government of Algeria and $985,118 from Frente Polisario.

## B. Non-budgeted contributions

32. The estimated value of non-budgeted contributions for the period from 1 July 2016 to 30 June 2017 is as follows:

(Thousands of United States dollars)

| *Category* | *Estimated value* |
|---|---|
| Status-of-mission agreement | – |
| Voluntary contributions in kind (non-budgeted)[a] | 276.1 |
| **Total** | **276.1** |

[a] Estimated value of $222,240 from the Government of Morocco and $48,240 from the Government of Algeria and $5,577.5 from Frente Polisario.

## C. Efficiency gains

33. The cost estimates for the period from 1 July 2016 to 30 June 2017 take into account the following efficiency initiatives:

(Thousands of United States dollars)

| *Category* | *Amount* | *Initiative* |
|---|---|---|
| Facilities and Infrastructure | $62.2 | **Utilities and waste disposal**<br>Efficient analysis of statistical data collected based on the monthly power consumption, operational appliances, and proper monitoring of electric power utilization resulted in lower estimated budget. |
| **Total** | **$62.2** | |

## D. Vacancy factors

34. The cost estimates for the period from 1 July 2016 to 30 June 2017 take into account the following vacancy factors:

(Percentage)

| *Category* | *Actual Average 2014/15* | *Budgeted 2015/16* | *Projected 2016/17* |
|---|---|---|---|
| **Military and police personnel** | | | |
| Military observers | 6.9 | 5.0 | 10.0 |
| Military contingents | 3.7 | – | 1.0 |
| United Nations police | 58.3 | 25.0 | 70.0 |
| **Civilian personnel** | | | |
| International staff | 6.6 | 8.0 | 6.0 |

| *Category* | *Actual Average 2014/15* | *Budgeted 2015/16* | *Projected 2016/17* |
|---|---|---|---|
| National staff | | | |
| National Professional Officers | – | – | – |
| National General Service staff | 4.7 | 5.0 | 7.0 |
| United Nations Volunteers | 25.0 | 20.0 | 30.0 |
| Government-provided personnel | 70.0 | 70.0 | 70.0 |

35. The application of vacancy rates with respect to the computation of personnel costs is based on actual personnel deployment for the 2014/15 financial period and the first half of the 2015/16 period, as well as the expenditure pattern of the Mission and projected changes in the Mission's strength.

## E. Contingent-owned equipment: major equipment and self-sustainment

36. Requirements for the period from 1 July 2016 to 30 June 2017 are based on standard reimbursement rates for major equipment and self-sustainment in the total amount of $203,800, as follows:

(Thousands of United States dollars)

| | *Estimated amount* | | |
|---|---|---|---|
| *Category* | *Military contingents* | *Formed police units* | ***Total*** |
| Major equipment | 129.1 | – | **129.1** |
| Self-sustainment | 74.7 | – | **74.7** |
| **Total** | **203.8** | **–** | **203.8** |

| *Mission factors* | *Percentage* | *Effective date* | *Last review date* |
|---|---|---|---|
| **A. Applicable to mission area** | | | |
| Extreme environmental condition factor | 0.0 | 1 November 2011 | 1 November 2011 |
| Intensified operational condition factor | 0.8 | 1 November 2011 | 1 November 2011 |
| Hostile action/forced abandonment factor | 0.8 | 1 November 2011 | 1 November 2011 |
| **B. Applicable to home country** | | | |
| Incremental transportation factor | 4.0 | 1 November 2011 | 1 November 2011 |

## F. Training

37. The estimated resource requirements for training for the period from 1 July 2016 to 30 June 2017 are as follows:

(Thousands of United States dollars)

| *Category* | *Estimated amount* |
|---|---|
| Consultants | |
| Training consultants | 25.0 |
| Official travel | |
| Official travel, training | 247.2 |
| Other supplies, services and equipment | |
| Training fees, supplies and services | 32.0 |
| **Total** | **304.2** |

38. The number of participants planned for the period from 1 July 2016 to 30 June 2017, compared with previous periods, is as follows:

(Number of participants)

| | *International staff* | | | *National staff* | | | *Military and police personnel* | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Actual 2014/15* | *Planned 2015/16* | *Proposed 2016/17* | *Actual 2014/15* | *Planned 2015/16* | *Proposed 2016/17* | *Actual 2014/15* | *Planned 2015/16* | *Proposed 2016/17* |
| Internal | 553 | 277 | 82 | 869 | 571 | – | 10 | 90 | – |
| External[a] | 40 | 43 | 36 | 25 | 12 | 32 | – | – | – |
| **Total** | **593** | **320** | **118** | **894** | **583** | **32** | **10** | **90** | **–** |

[a] Includes the United Nations Logistics Base at Brindisi, Italy and outside the mission area.

39. The training programme of the Mission for the 2016/17 period is aimed at enhancing the management, administrative and organizational development skills of Mission personnel through 69 courses, with 150 participants. The central focus of the Mission training programme is to strengthen the substantive and technical capacity of Mission staff in the field of administration, air transportation, communications, engineering, ground transportation, human resources, procurement, security, supply and property management.

## G. Mine detection and mine-clearing services

40. The estimated resource requirements for mine detection and mine-clearing services for the period 1 July 2016 to 30 June 2017 are as follows:

(Thousands of United States dollars)

| *Category* | *Estimated value* |
|---|---|
| Special equipment | |
| Mine detection and mine-clearing equipment | – |
| Other supplies, services and equipment | |
| Mine detection and mine-clearing services | 3 264.6 |
| Mine detection and mine-clearing supplies | – |

41. MINURSO is planning to clear 5,000,000 square metres of subsurface area of land from known threats of landmines/explosive remnants of war through technical surveys, and manual and mechanical demining in order to provide greater access to once-restricted areas for the Mission's military observers to assist in the monitoring of the ceasefire and ensure the safe passage for the local population.

42. In addition, the Mission will continue to maintain liaison with both parties to the conflict on mine action initiatives, provide landmine and explosive remnants of war safety training to MINURSO personnel and bolster mine action capacity development efforts through the deployment of a consultant to work with local mine action stakeholders, including the Saharawi Mine Action Coordination Office, five times during the fiscal year.

## III. Analysis of variances[1]

43. The standard terminology applied with respect to the analysis of resources variances in this section are defined in annex I.B to the present report. The terminology used is the same as that used in previous reports.

| | *Variance* | |
|---|---|---|
| **Military observers** | ($134.5) | (2.3%) |

- **Management: higher vacancy factor**

44. The variance is attributable mainly to the proposed delayed deployment factor of 10 per cent in the computation of military observers costs for the 2016/17 period based on the historical experience of the Mission, compared with a rate of 5 per cent approved for the 2015/16 period.

| | *Variance* | |
|---|---|---|
| **United Nations police** | ($138.6) | (56.3%) |

- **Management: higher vacancy factor**

45. The variance is attributable mainly to the proposed delayed deployment factor of 70 per cent in the computation of police personnel costs for the 2016/17 period, compared with a rate of 25 per cent approved for the 2015/16 period. This reflects prevailing circumstances, as well as historical experience, in which the suspension of the UNHCR-sponsored confidence-building measures, effective April 2014, has resulted in the non-replacement of police officers at the completion of their tours of duty.

| | *Variance* | |
|---|---|---|
| **International staff** | $1 121.5 | 7.4% |

- **Management: lower vacancy rate and increase of salaries in the revised salary scale**

[1] Resource variance amounts are expressed in thousands of United States dollars. Analysis is provided for variances of at least plus or minus 5 per cent or $100,000.

46. The variance is attributable mainly to the proposed vacancy rate of 6 per cent in the computation of international staff costs for the 2016/17 period based on historical expenditure patterns, compared with 8 per cent approved for the 2015/16 period, combined with an increase of 4.3 per cent in the revised salary scale effective 1 July 2016 as well as establishment of one Field Service post.

| | *Variance* | |
|---|---|---|
| **National staff** | $296.7 | 5.8% |

- **Management: increased salaries based on the revised national staff salary scale**

47. The variance is attributable mainly to the increase of 7.7 per cent and 7.4 per in net salaries with respect to National Professional Officers and national General Service staff, respectively, based on the revised national staff salary scale applicable. The overall increase was offset in part by decreased requirements for national staff costs due to the higher average vacancy rate of 7 per cent for national General Service staff proposed for the 2016/17 period compared with the 5 per cent approved for the 2015/16 period.

| | *Variance* | |
|---|---|---|
| **Consultants** | $10.0 | 66.7% |

- **Management: increased inputs and outputs**

48. The variance is due to projected costs of consultancy services from International Air Transport Association to facilitate the training for transportation of dangerous goods.

| | *Variance* | |
|---|---|---|
| **Official travel** | $54.8 | 8.2% |

- **Management: increased inputs and outputs**

49. The variance reflects an increase in the requirements for training-related travel, owing to the need for capacity-building of national staff, as well as travel costs for various certification training sessions arranged by the United Nations Global Service Centre at Brindisi, Italy.

| | *Variance* | |
|---|---|---|
| **Facilities and infrastructure** | $218.0 | 7.3% |

- **Management: increased inputs and outputs**

50. The variance is attributable mainly to increased requirements for: (a) acquisition of water treatment and fuel distribution equipment, owing to the installation of a water treatment plant at team site Aswad; (b) acquisition of generators and electrical equipment with respect to seven power generators as part of the Mission's contingency plan for uninterrupted emergency power supply; (c) sanitation and cleaning materials, owing to a new contract for cleaning and gardening services; (d) security services, owing to the increase in the security threat

level of the Mission; and (e) acquisition of prefabricated facilities, accommodation and refrigeration equipment, owing to the installation of 100-man kitchens at two team sites. The overall increase is offset by reduced requirements for utilities and waste disposal services, owing to the lower cost of electricity from the national power grid and petrol, oil and lubricants as a result of the lower proposed average price of diesel fuel ($0.59 per litre in the 2016/17 period compared with $0.83 per litre approved for the 2015/16 period).

| | *Variance* | |
|---|---|---|
| **Ground transportation** | $336.3 | 30.9% |

- **Management: increased inputs and same outputs**

51. The increased requirements are attributable mainly to the proposed acquisition of 12 heavy-duty vehicles to replace 40 heavy-duty vehicles that have surpassed their useful life and the repair of which is uneconomical; as well as the acquisition of vehicle workshop equipment; and repairs and maintenance, owing to the higher cost of maintenance of the Mission's aged vehicle fleet.

| | *Variance* | |
|---|---|---|
| **Air transportation** | $1 485.4 | 13.9% |

- **Management: increased inputs and same outputs**

52. The increased requirements are attributable mainly to the projected increase in the cost of operation of the Mission's aircraft fleet with respect to the contractual rates for guaranteed fleet costs and the costs of flying hours. Higher rates are expected on the renewal of the aircraft contracts, which expire on 31 October 2016 and 10 September 2016, respectively, in respect of two fixed-wing and two rotary-wing aircraft, respectively. The estimated costs are based on projections using existing contracts of similar type aircraft used by peacekeeping operations, pending the outcome of the bidding process.

# IV. Actions to be taken by the General Assembly

53. **The actions to be taken by the General Assembly in connection with the financing of MINURSO are:**

(a) **Appropriation of the amount of $54,289,500 for the maintenance of the Mission for the 12-month period from 1 July 2016 to 30 June 2017;**

(b) **Assessment of the amount in paragraph (a) above at a monthly rate of $4,524,125, should the Security Council decide to continue the mandate of MINURSO.**

# V. Summary of follow-up action taken to implement the decisions and requests of the General Assembly in its resolutions 69/307 and 69/305, including requests and recommendations of the Advisory Committee on Administrative and Budgetary Questions endorsed by the General Assembly

## A. General Assembly

(Resolution 69/307)

| *Decision request* | *Action taken to implement decision request* |
|---|---|
| Notes the importance of the Standard Cost and Ratio Manual [...] and urges the Secretary-General to continue his efforts to align the holding of assets with the Manual, while duly taking into account the situation on the ground, and bearing in mind the mandate, complexities and size of individual peacekeeping missions (para. 16). | The Mission continues to make all necessary and reasonable efforts to align assets holdings with the Manual. |
| Encourages the Secretary-General to regularly review the civilian staffing needs of peacekeeping operations, as appropriate (para. 22). | The General Assembly, by its resolution 66/264, mandated that a civilian staffing review be carried out in MINURSO. The review was conducted in March 2014 and it was recommended therein that its results be reflected in the budget reports of the Mission for the period from 2015/16 to 2017/18. |
| Urges the Secretary-General to make every effort to reduce the recruitment lead time for staff in field missions (para. 23). | MINURSO adheres to the provisions governing the recruitment of United Nations staff and uses available tools to expedite and reduce recruitment lead time. In particular, MINURSO issues a recruit from roster when a vacancy occurs. This reduces the recruitment lead time, as candidates who are in the Field Central Review Board roster are screened for selection. This can shorten the lead time by one to two months. |
| Requests the Secretary-General to continue his efforts to reduce the overall environmental footprint of each peacekeeping mission, including by implementing environmentally friendly waste management and power generation systems, in full compliance with the relevant rules and regulations, including, but not limited to, the United Nations environmental and waste management policy and procedures (para. 28). | MINURSO has commissioned a wind generator at a remote communications site and with the support of the United Nations Global Service Centre, in November 2015, it started a design study for implementation of a solar power generation system at its logistics base in Laayoune. |

| *Decision request* | *Action taken to implement decision request* |
|---|---|
| Encourages the Secretary-General to utilize local materials, capacity and knowledge in the implementation of construction projects for peacekeeping operations, in compliance with the United Nations Procurement Manual (para. 31). | MINURSO encourages local vendors to participate in the solicitation process by advertising the requests for expressions of interest in three local newspapers and on the Mission website. MINURSO also encourages potential vendors to utilize local materials, capacity and knowledge in the proposal. This information is conveyed during pre-proposal conferences. |
| Requests the Secretary-General to strengthen oversight and internal controls in the areas of procurement and asset management across peacekeeping missions, including by holding mission management accountable for checking stock levels before undertaking any acquisition activity in order to ensure compliance with established asset management policies, taking into account the current and future needs of the mission and the importance of the full implementation of IPSAS (para. 33). | MINURSO maintains robust control of procurement and inventory by actively reviewing current inventory levels. MINURSO implemented a strategic procurement plan to reduce duplication of procurement by taking appropriate measures to redeploy surplus assets to other missions, transfer assets to the United Nations Logistics Base at Brindisi, Italy, or dispose of assets locally. IPSAS compliance is in progress and the first IPSAS compliant financial statements were submitted to United Nations Headquarters. |
| Requests the Secretary-General to make full use of the Regional Procurement Office in Entebbe, Uganda, for procurement in the field (para. 35). | MINURSO continues to explore all avenues for a suitable and viable long-term agreement with the Regional Support Centre in Entebbe. |
| Also requests the Secretary-General to present in his budget proposals a clear vision of the construction requirements for each mission, including, as appropriate, multi-year plans, and to continue his efforts to improve all aspects of project planning, including the assumptions underlying the formulation of such budgets, with due consideration of operational circumstances on the ground, and to closely monitor the execution of works to ensure their timely completion (para. 36). | The Mission has no plan for major projects within the coming two years. |
| Welcomes the ongoing roll-out of the aviation information management system across all peacekeeping operations with aviation assets, and looks forward to further reporting on the improvements realized in air operations (para. 37). | A video teleconference session on the aviation information management suite module was held for MINURSO on 14 October 2015 and was attended by respective aviation staff. The MINURSO Aviation Section is in constant contact with the aviation information management suite implementation team in Entebbe and the management suite's development team in Brindisi for full implementation of the module. |

| *Decision request* | *Action taken to implement decision request* |
|---|---|
| Recalls paragraph 21 of its resolution 69/272 of 2 April 2015, encourages the Secretary-General to continue his efforts to strengthen accountability in all sectors of field missions, and, to this end, urges the Secretary-General and Member States to undertake all relevant actions within their respective areas of competence, including holding perpetrators accountable (para. 50). | The Mission has taken note of the observation of the General Assembly and is monitoring staff members' compliance with the mandatory ethics training. |
| Requests the Secretary-General to ensure the availability of easily accessible reporting mechanisms for victims of sexual exploitation and sexual abuse (para. 51). | A system for receiving allegations, including allegations of sexual exploitation and sexual abuse, is accessible to all United Nations personnel, but not at the community level, owing to the political and cultural sensitivity in the area. |
| Requests the Secretary-General to make further efforts to ensure that all personnel are made fully aware of, and remain compliant with, their personal responsibilities regarding the Organization's policy of zero tolerance, upon their arrival in the Mission and throughout their deployment (para. 54). | The zero tolerance policy is applied in respect of all forms of misconduct by all categories of United Nations personnel. Vetting of personnel, awareness-raising and training (United Nations standards of conduct and sexual exploitation and sexual abuse) are conducted during induction and biannually in the Mission. |

(Resolution 69/305)

| *Decision request* | *Action taken to implement decision request* |
|---|---|
| Encourages the Mission to find innovative support approaches, wherever possible, despite its remote geographical location, and to continue to explore the viability of increasing the number of services that can be supported by the Regional Service Centre in Entebbe, Uganda (para. 10). | MINURSO continues to work closely with the Regional Support Centre in Entebbe, the United Nations Global Support Centre and neighbouring missions to explore opportunities of cooperation that may lead to better efficiency. |

## B. Advisory Committee on Administrative and Budgetary Questions

(A/69/839/Add.3)

| *Request recommendation* | *Action taken to implement request recommendation* |
|---|---|
| The Advisory Committee notes with concern ... the cash position of the Mission ... [and] reiterates that the Secretary-General should continue exploring available options to address the issue of late payment of assessed contributions, such as reviewing existing mechanisms for issuing assessment letters, following up on outstanding assessments, and engaging more actively with Member States (see A/69/827, para. 17) (para. 7). | Member States are informed about outstanding contributions and new assessments through assessment letters issued each time the Mission's mandate is extended. Amounts due and payable for all assessed operations (active and closed) are provided daily via the online portal dedicated to reporting the status of Member States' contributions. The Secretary-General reports biannually to the General Assembly on the latest financial situation of the Organization, under the agenda item "Improving the financial situation of the United Nations". |
| The Advisory Committee ... reiterates that the transfer of surplus property from one operation to another should be at fair market value following a recommendation by a review body ... [and] is of the view that, whenever possible, missions should be encouraged to acquire surplus assets from other missions before considering the acquisition of new assets (para. 37). | The Mission takes all necessary measures to acquire surplus assets from other missions before considering new acquisitions. |
| The Advisory Committee encourages the Secretary-General to make efforts to enhance the rate of mine clearance, including by taking advantage of emerging methods (para. 38). | MINURSO reviews proactively its landmines/explosive remnants of wars survey and clearance methodologies to enhance capabilities when possible, thereby not only saving lives but also utilizing resources as effectively and efficiently as possible. |

# Annex I

## Definitions

### A. Terminology related to proposed changes in human resources

The following terms have been applied with respect to proposed changes in human resources (see sect. I):

- **Post establishment**: a new post is proposed to be established when additional resources are necessary and when it is not possible to redeploy resources from other offices or otherwise accommodate specific activities from within existing resources.
- **Post reassignment**: an approved post that was intended to cover a certain function is proposed to implement other priority mandated activities unrelated to the original function. While a post reassignment may involve a change of location or office, it does not change the category or level of the post.
- **Post redeployment**: an approved post is proposed to be redeployed to cover comparable or related functions in another office.
- **Post reclassification**: an approved post is proposed to be reclassified (upgraded or downgraded) when the duties and responsibilities of the post have changed substantially.
- **Post abolishment**: an approved post is proposed to be abolished if it is no longer needed to implement the activities for which it was approved or to implement other priority mandated activities within the mission.
- **Post conversion**: three possible options for post conversion are as follows:
  - Conversion of general temporary assistance positions to posts: approved positions financed under general temporary assistance are proposed for conversion to posts if the functions being performed are of a continuing nature.
  - Conversion of individual contractors or individuals on procurement contracts to national staff posts: taking into account the continuing nature of certain functions, in line with section VIII, paragraph 11, of General Assembly resolution 59/296, individual contractors or individuals on procurement contracts are proposed for conversion to national staff posts.
  - Conversion of international staff posts to national staff posts: approved international staff posts are proposed for conversion to national staff posts.

### B. Terminology related to variance analysis

Section III of the present report indicates the single largest contributing factor of each resource variance according to specific standard options encompassed in the four standard categories listed below:

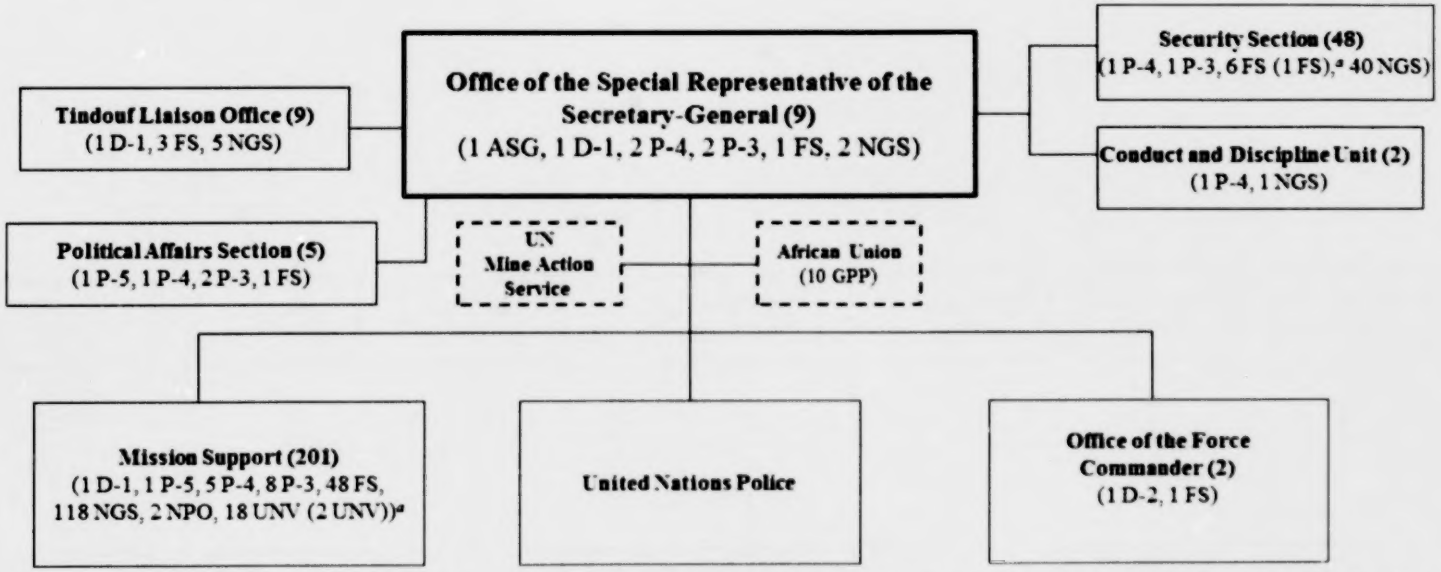
- **Mandate**: variances caused by changes in the scale or scope of the mandate, or changes in the expected accomplishments as driven by the mandate

- **External**: variances caused by parties or situations external to the United Nations
- **Cost parameters**: variances caused by United Nations regulations, rules and policies
- **Management**: variances caused by management actions to achieve planned results more effectively (e.g., by reprioritizing or adding certain outputs) or efficiently (e.g., by taking measures to reduce personnel or operational inputs while maintaining the same level of outputs) and/or from performance-related issues (e.g., by having underestimated the costs or quantities of inputs required to produce a certain level of outputs, or by delayed recruitment)

# Annex II

## Organization charts

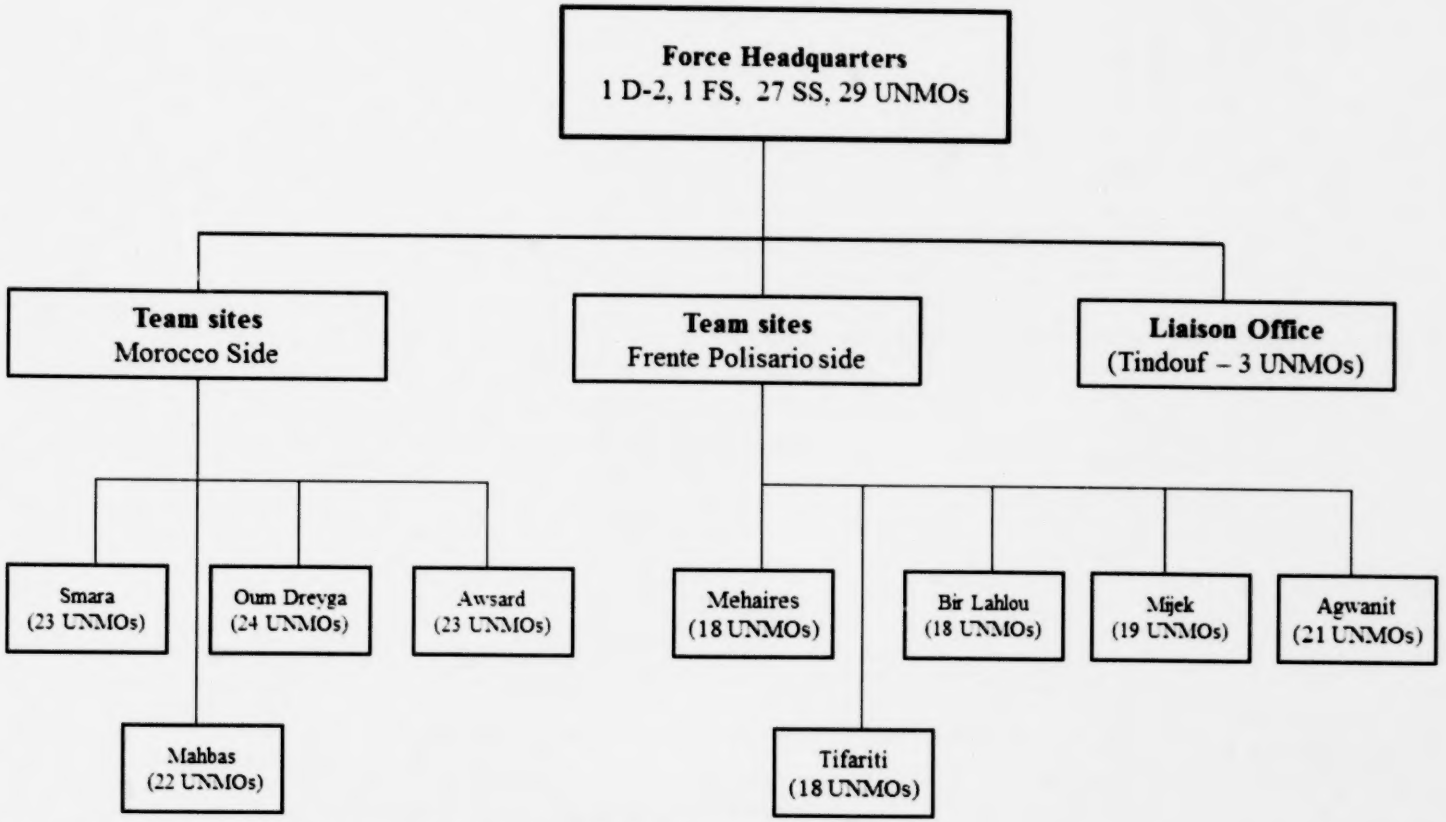
### A. Organizational structure of the United Nations Mission for the Referendum in Western Sahara, 2016-2017


Office of the Special Representative of the Secretary-General (9)
(1 ASG, 1 D-1, 2 P-4, 2 P-3, 1 FS, 2 NGS)
Tindouf Liaison Office (9)
(1 D-1, 3 FS, 5 NGS)
Security Section (48)
(1 P-4, 1 P-3, 6 FS (1 FS),[a] 40 NGS)
Conduct and Discipline Unit (2)
(1 P-4, 1 NGS)
Political Affairs Section (5)
(1 P-5, 1 P-4, 2 P-3, 1 FS)
UN Mine Action Service
African Union
(10 GPP)
Mission Support (201)
(1 D-1, 1 P-5, 5 P-4, 8 P-3, 48 FS, 118 NGS, 2 NPO, 18 UNV (2 UNV))[a]
United Nations Police
Office of the Force Commander (2)
(1 D-2, 1 FS)

*Abbreviations*: ASG, Assistant Secretary-General; FS, Field Service; NPO, National Professional Officer; NGS, national General Service; UNV, United Nations Volunteers; GPP, Government-provided personnel.

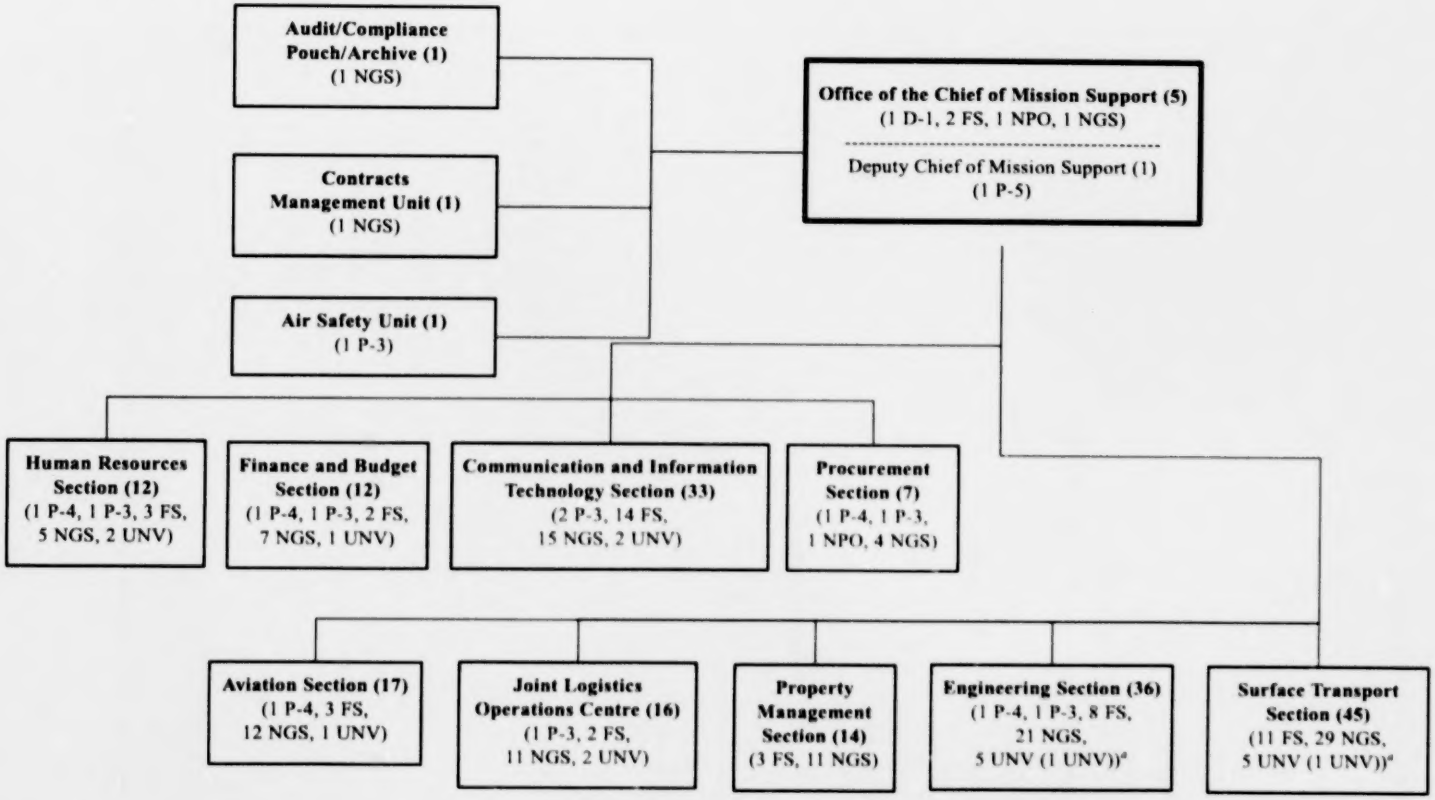
[a] Establishment.

## B. Military component




*Abbreviations*: SS, support staff (military); UNMO, United Nations Military Observers.

## C. Mission support


Audit/Compliance Pouch/Archive (1) (1 NGS)
Contracts Management Unit (1) (1 NGS)
Air Safety Unit (1) (1 P-3)
Office of the Chief of Mission Support (5) (1 D-1, 2 FS, 1 NPO, 1 NGS)
Deputy Chief of Mission Support (1) (1 P-5)
Human Resources Section (12) (1 P-4, 1 P-3, 3 FS, 5 NGS, 2 UNV)
Finance and Budget Section (12) (1 P-4, 1 P-3, 2 FS, 7 NGS, 1 UNV)
Communication and Information Technology Section (33) (2 P-3, 14 FS, 15 NGS, 2 UNV)
Procurement Section (7) (1 P-4, 1 P-3, 1 NPO, 4 NGS)
Aviation Section (17) (1 P-4, 3 FS, 12 NGS, 1 UNV)
Joint Logistics Operations Centre (16) (1 P-3, 2 FS, 11 NGS, 2 UNV)
Property Management Section (14) (3 FS, 11 NGS)
Engineering Section (36) (1 P-4, 1 P-3, 8 FS, 21 NGS, 5 UNV (1 UNV))[a]
Surface Transport Section (45) (11 FS, 29 NGS, 5 UNV (1 UNV))[a]

*Abbreviations*: FS, Field Service; NPO, National Professional Officer; NGS, national General Service; UNV, United Nations Volunteer.

[a] Establishment.

# Map

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January 2016

Department of Field Support
Geospatial Information Section (formerly Cartographic Section)

United Nations A/70/697

General Assembly

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**Seventieth session**
Agenda item 134
**Programme budget for the biennium 2016-2017**

# Strategic capital review

## Report of the Secretary-General

*Summary*

The present report is submitted pursuant to section II of General Assembly resolution 69/274 A, relating to the initiative for global property management of the United Nations Secretariat referred to as the strategic capital review.

The present report provides an update on the cost-benefit analysis of the overall proposed capital maintenance approach for United Nations-owned building and infrastructure assets, including a revised empirical analysis. The report provides an update on the global guidelines for the management of construction projects, which were issued in January 2016. The guidelines set global policy on the roles and responsibilities of various actors in the various phases of construction process, and on risk management and the establishment and use of contingency funding.

The report includes an update on the capital maintenance programme, initially presented in the previous report of the Secretary-General (A/69/760), including an updated list of near-term proposed capital projects to be undertaken at the United Nations Office at Nairobi, the Economic Commission for Africa, the Economic and Social Commission for Asia and the Pacific and the Economic Commission for Latin America and the Caribbean. The report also includes information on other considerations, including accessibility and the rights of persons with disabilities, global long-term accommodation requirements and flexible workplace strategies.

The General Assembly is requested to take note of the report, to approve the resource requirements proposed for the biennium 2016-2017 and to request the Secretary-General to report to the Assembly at the main part of the seventy-second session.

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# I. Introduction

1. The present report is submitted pursuant to section II of General Assembly resolution 69/274 A, in which the Assembly requested the Secretary-General to better assess the potential costs and benefits of a preventive maintenance programme, as compared with the existing reactive approach, including through a more in-depth analysis of the life cycle replacement methodology.

2. In addition, the Assembly requested the Secretary-General to entrust the Office of Central Support Services to ensure that best practices and lessons learned from the strategic capital review are disseminated among duty stations; stressed that the development of a long-term capital programme should include within its scope a prioritization strategy; reaffirmed that any potential proposals stemming from the strategic capital review with budgetary implications should follow the procedures set out in the Financial Regulations and Rules of the United Nations; and emphasized the importance of ensuring the availability of appropriate in-house expertise in the context of the implementation of the strategic capital review.

3. The Assembly also stressed the importance of eliminating physical, communication and technical barriers for persons with disabilities.

4. In his previous report (A/69/760), the Secretary-General presented the findings and conclusions of the initial review, including the 20-year capital maintenance programme, which projects a sequence of capital improvement activities over a 20-year period beginning in 2018 through to 2037. This was developed according to the established key objectives of the review: to provide safe and healthy working environments for United Nations delegates, visitors and staff over the long term; to comply with the Convention on the Rights of Persons with Disabilities; to maintain property value, maximize space usage efficiency in existing spaces, modernize building systems and move towards more energy-efficient facilities; and to preserve heritage assets and minimize work disruption during capital improvement projects.

5. The scope of the review covered eight locations (Addis Ababa, Bangkok, Beirut, Geneva, Nairobi, New York, Santiago and Vienna) as well as 20 subregional offices of the regional commissions and the International Residual Mechanism for Criminal Tribunals in Arusha and remains unchanged in the present report.

6. The purpose of the present report is to provide updated information on the ongoing development/refinement of the 20-year rolling capital programme as well as the current status of detailed feasibility studies for several proposed projects. In particular, the report provides updated information on the cost-benefit comparison of the incremental recapitalization (or proactive) approach to maintaining property as compared with the run-to-failure (or reactive) approach and on the completion of organization-wide policy guidelines on the management of construction projects; it also contains a request for additional resources within the Office of Central Support Services for the purpose of strengthening current capacity in providing technical guidance and advice to offices currently undertaking large-scale construction projects.

7. In general terms, the present report, as well as all future reports on the strategic capital review, is intended to serve as a planning tool for the General Assembly in considering cross-cutting policy issues that affect capital planning across the Organization and in beginning to consider and plan for future capital

requirements well in advance. The report is not intended to serve as a mechanism for seeking approval for specific project proposals. Rather, in line with Assembly resolution 69/274 A and related resolutions, such proposals will be made either as part of the proposed programme budget (typically under section 33) or as stand-alone proposals, and the Assembly would be requested to consider individual proposals on their own merit.

## II. Cost-benefit analysis of the proposed capital maintenance approach

8. In response to the request of the General Assembly to better assess the potential costs and benefits of a preventive maintenance programme as compared with the existing reactive approach, including through a more in-depth analysis of the life-cycle replacement methodology, the Office of Central Support Services engaged a specialist cost-estimation consultancy firm to perform a detailed comparative analysis of the two approaches presented in the previous report of the Secretary-General. Two general approaches were presented in section V of the report: (a) incremental recapitalization, or the proactive approach, which aims to gradually and systematically perform capital improvements throughout the life of a building, in an attempt to avoid what would otherwise be larger-scale and higher-risk projects; and (b) run-to-failure, or the reactive approach, which aims to replace whole buildings or building components only after they fail or reach the end of their useful lives.

9. In the previous report, the Secretary-General made the case that incremental recapitalization would be the most cost-effective approach, citing a generic example of a building with a value of $100 million and a useful life of 50 years and providing alternative options for how much it would cost to extend (in fact double) the life of the building to 100 years. However, the example was not rooted in specific, empirical data from the building and infrastructure asset portfolio of the United Nations Secretariat, nor did it provide an actual estimate of how much the Secretariat could expect to save by adopting such an approach.

10. Accordingly, during the reporting period the Secretariat conducted a comprehensive analysis of the global portfolio of the Organization, across all duty stations within the scope of the strategic capital review, and estimated the projected costs over a 50-year period for each of the two possible options for capital maintenance. The findings of the analysis are included herein.

### Work methodology for the cost-benefit analysis

11. In order to perform the overall comparison, the team first selected several specific buildings to analyse in detail and use as case studies. These were the Secretariat Building, the Conference Building and the General Assembly Building at Headquarters in New York and the secretariat tower and conference building at the Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok. These five buildings were selected because they represent a broad range and diversity in terms of initial cost of construction, cost of renovation, climatic conditions at their locations, construction type, general market conditions, project "soft" costs and the cost of temporary premises to be used during construction/renovation, referred to as "swing space".

12. The team performed a detailed analysis of the property values, in terms of gross replacement cost, of each building and broke them down at the level of the four primary building components — superstructure, roofs, interior construction and building systems — and at further levels of granularity at the subcomponent level. For example, the building systems component was further broken down to electrical, mechanical, plumbing, conveying and low-voltage systems.

13. It should be noted that among the observations and recommendations made by the Advisory Committee on Administrative and Budgetary Questions in its report on the strategic capital review (A/69/811) was that future decisions regarding the level of resources required for future capital investment should depend on the application of a reliable, consistent and realistic valuation methodology. Given that with the adoption of the International Public Sector Accounting Standards (IPSAS), property values for buildings and infrastructure assets are based on replacement costs as opposed to market value, these costs are ideally suited to use as the basis for projecting future capital requirements.

14. The team then established a common set of objectives for the maintenance of the buildings and assumptions for the cost-benefit analysis to be performed. The objectives were (a) to at least maintain current property value, based on 2015 costs and a "simple" calculation (meaning that currency, inflation and the costs of construction escalation are not included); and (b) to extend the useful life of the building by 50 years (or double the life of the 50-year building) and record overall capital maintenance costs for that 50-year period. The study assumes that buildings have been upgraded to minimum operating standards and have a remaining useful life of 50 years at the outset; hence the total gross replacement cost is used.

15. Non-quantifiable benefits such as business continuity and adherence to minimum operating standards were not considered; the analysis dealt only with quantifiable benefits.

16. The team then projected the total capital maintenance costs for each of the two options for each of the five case studies, establishing a difference in percentage terms for the subcomponents of each. Lastly, the team applied the same proportionally to all of the buildings within the global portfolio of the Organization.

17. The results of the analysis are summarized in table 1.

Table 1
**Results of the cost-benefit analysis of the two options for a capital maintenance programme**
(United States dollars)

| *Duty station* | *Gross replacement cost (all assets)* | *Option 1 — Incremental recapitalization* | *Option 2 — Run-to-failure* | *Difference* | *Difference (percentage)* |
|---|---|---|---|---|---|
| Headquarters | 1 993 653 759 | 1 548 783 715 | 2 289 723 252 | 740 939 538 | 32 |
| United Nations Office at Geneva | 1 090 661 196 | 867 115 401 | 1 189 970 577 | 322 855 176 | 27 |
| United Nations Office at Nairobi | 152 583 055 | 77 551 701 | 130 666 169 | 53 114 469 | 41 |
| United Nations Office at Vienna | – | – | – | – | |
| Economic and Social Commission for Asia and the Pacific | 141 430 089 | 130 054 400 | 221 248 373 | 91 193 973 | 41 |

| *Duty station* | *Gross replacement cost (all assets)* | *Option 1 — Incremental recapitalization* | *Option 2 — Run-to-failure* | *Difference* | *Difference (percentage)* |
|---|---|---|---|---|---|
| Economic Commission for Latin America and the Caribbean | 66 828 409 | 41 687 358 | 67 003 537 | 25 316 180 | 38 |
| Economic Commission for Africa | 317 037 785 | 246 985 490 | 362 537 181 | 115 551 691 | 32 |
| Economic and Social Commission for Western Asia | 624 381 | – | – | – | |
| **Total** | **3 762 818 673** | **2 912 178 063** | **4 261 149 090** | **1 348 971 026** | **32** |

18. The total difference in the cost of the incremental recapitalization option over a 50-year period as compared with the run-to-failure approach is approximately $1,350,000,000, or 32 per cent. This represents an average of approximately $54 million per biennium and hence is regarded as the most cost-effective option.

19. In addition to the quantifiable benefits of the cost of the implementation of capital projects, the incremental approach also affords the Organization additional quantifiable benefits related to the cost of ongoing operations in buildings that are maintained in good working condition. In its report on the capital master plan (A/70/5 (Vol. 5)), issued in June 2015, the Board of Auditors estimated that the savings expected to be realized in operations could be as much as 12 per cent over time (para. 53), related primarily to lower asset operational costs.

20. The incremental recapitalization approach also delivers the following important non-quantifiable benefits:

(a) It reduces the risk of failure of building systems and thereby the risk of exposing delegates, staff and visitors to unwarranted threats of such failures by proactively maintaining the systems;

(b) It increases the likelihood of maintaining business continuity during the implementation of capital projects by planning them in advance;

(c) It affords Member States more advance notice of funding requirements and therefore also affords the opportunity to provide funding on a steady basis, as opposed to irregularly/as required.

21. Irrespective of the possible benefits described above, as presented in the previous report of the Secretary-General, the capital projects identified in the initial strategic capital review in the first several bienniums and further described later in the present report are required to bring the buildings up to modern, safe and efficient standards.

22. In addition, although the Secretariat considers that it is useful, for its own purpose as well as for benchmarking against industry best practice, to analyse the required level of capital reinvestment resources relative to gross property value, the analysis is not presented as a determinant itself for establishing the requirements. The overall requirements as initially presented in the previous report, particularly those for the forthcoming several bienniums, will continue to be determined on actual needs-based assessments.

# III. Real estate planning and management

## A. Guidelines for the management of global construction projects

23. As part of an ongoing effort to link practical project management procedures with the best practices of the Organization, the Overseas Properties Management Unit within the Office of Central Support Services has developed guidelines for the management of construction projects for use in implementing large-scale construction projects. The guidelines were completed and issued to Headquarters and offices away from Headquarters in January 2016.

24. The guidelines were developed to assist project owners and their designated executives and project managers in providing effective management of construction projects at offices of the United Nations Secretariat.

25. The guidelines provide a holistic view of large-scale projects and place them within the context of United Nations organizational processes, and are intended to serve the following purposes:

(a) To define the various project phases as outlined below and the relevant organizational processes for each phase, including procurement, administration and legislative processes;

(b) To define the roles and responsibilities of various actors, both within the Organization and those performing contracted services outside the Organization, as well as host country authorities, throughout project management phases;

(c) To share industry best practices as well as lessons learned from previous large-scale construction projects undertaken by the Secretariat.

26. There is a clear link between the guidelines and the strategic capital review, because forward capital planning is a prerequisite to the implementation of any capital project undertaken by the Organization. Such planning includes the development of a business case, the establishment of project objectives and an evaluation of implementation options.

## B. Oversight and governance

27. As reported in the previous report of the Secretary-General and in line with the Secretary-General's bulletin on the organization of the Office of Central Support Services (ST/SGB/2013/1), the Office provides support and coordination to offices away from Headquarters and regional commissions in the management of their properties and construction projects.

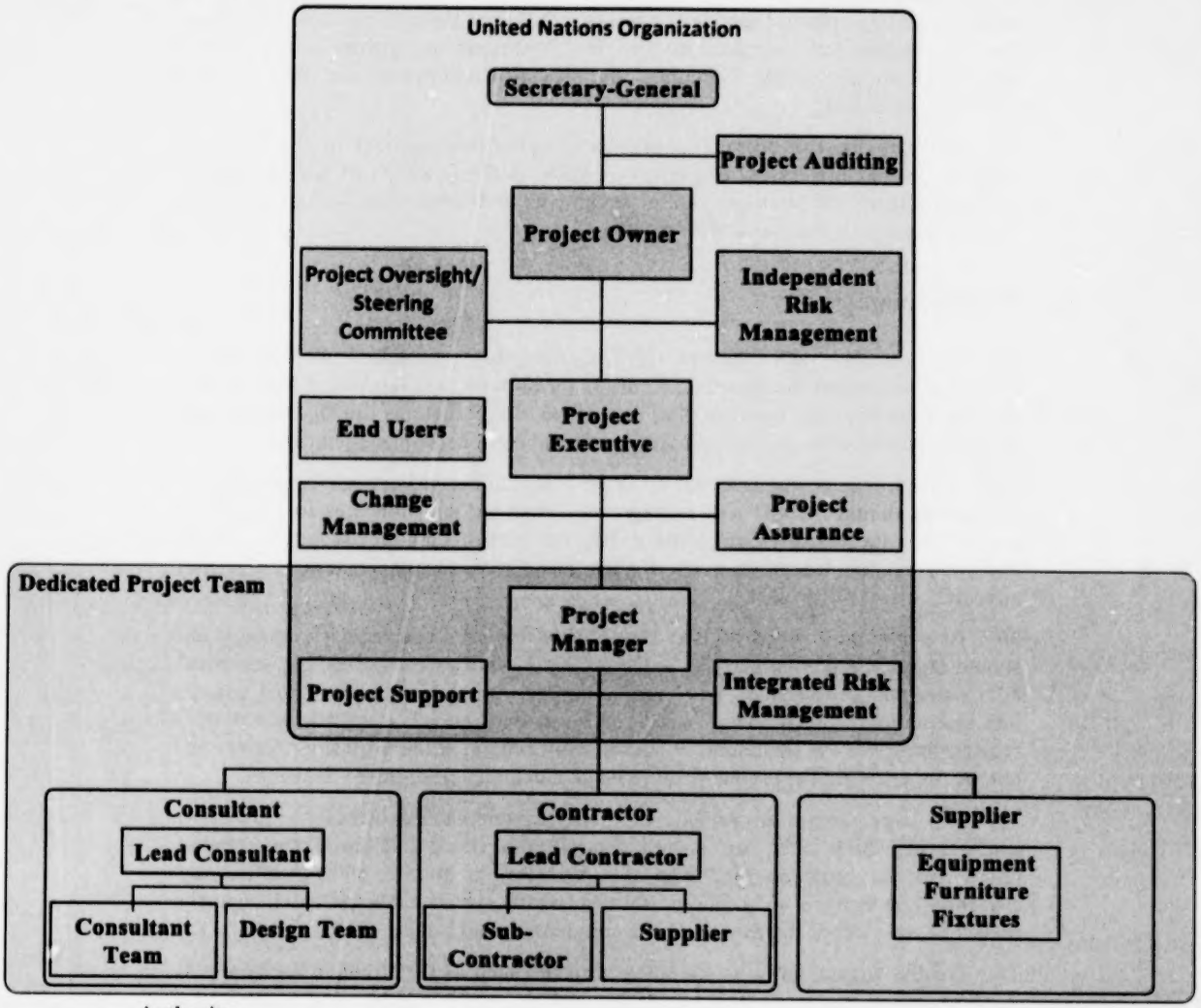
28. The strategic capital review and projects emanating from the review continue to be coordinated by the Overseas Properties Management Unit under the overall

leadership of the Assistant Secretary-General for Central Support Services. Owing to the significant age, number and value of the buildings and infrastructure assets owned by the Organization and included in the scope of the strategic capital review and immediate work required to improve the assets, the workload of the Unit has seen significant increase since 2010, when the total value of ongoing construction projects was only $48 million, whereas as of 2016 the total value of ongoing construction projects is more than $900 million, with additional projects in planning valued at over $100 million. In this context, the Secretary-General intends to review the capacity of the Unit and make proposals in his next proposed programme budget for the biennium 2018-2019.

29. The Office of Central Support Services is guided by various recent and relevant resolutions of the General Assembly on the subject of its governance and role, most recently those issued during the main part of the seventieth session of the Assembly. In the context of the renovation of Africa Hall at the Economic Commission for Africa (ECA), the Assembly emphasized that the Office should be actively involved in overseeing the project to ensure central supervision of capital projects, including risk management and alignment with lessons learned. In the context of the proposal for the seismic retrofit of the Secretariat building at ESCAP, the Assembly emphasized the importance of guidance, interaction and coordination between the Secretariat in New York, on the one hand, and the Commission in Bangkok, on the other, with clear reporting lines.

30. The generic organizational chart below, as included in the guidelines, serves as a basis for offices undertaking capital projects, in coordination with the Office of Central Support Services, to develop project-specific organizational structures for these upcoming projects (see annex I for a matrix showing the respective roles and responsibilities within the reference project governance structure).

**Project organization**




31. The Secretariat is also in the process of establishing specific administration and coordination agreements with ECA and ESCAP, respectively, for the management of these projects (or proposed project, in the case of ESCAP), which will be established on the basis of the generic roles and responsibilities defined in the project guidelines.

32. The Office of Central Support Services continues to perform its ongoing role of providing technical guidance and advice on other current projects, including the strategic heritage plan of the United Nations Office at Geneva, the new facility for the Mechanism for International Criminal Tribunals in Arusha and the blast mitigation project at the Economic and Social Commission for Western Asia (ESCWA) in Beirut.

33. Additionally, the Secretariat intends to solicit the services of the Office of Internal Oversight Services to perform regular, periodic audits of capital projects emanating from the strategic capital review, as and when they are approved for implementation by the General Assembly.

## C. Risk management

34. Also in line with relevant General Assembly resolutions as well as the recommendations of the Board of Auditors on both the capital master plan in New York and the strategic heritage plan in Geneva, the guidelines for the management of global construction projects emphasize the subject of risk management.

35. The guidelines stipulate that all large-scale capital projects undertaken by the Secretariat should include risk management planning and practices to ensure that projects are successfully completed within the overall timeline, scope and budget approved by the Assembly, even if/when faced with threats or actions that may adversely affect the project.

36. At a minimum, a risk register should be established and regularly updated and should identify any possible risks to the project in various categories, i.e., technical, administration, procurement and contracting, resources, governance, host country implementation, stakeholders, safety and security, etc. The establishment of a register improves the likelihood of successfully achieving the project objectives and outputs by enabling the project team to make calculated, risk-based decisions.

37. For large, complex projects, the risk register should include a qualitative analysis in which risks are scored according to their likelihood (improbable, probable or very probable) and level of impact (low, medium or high). Additionally, a quantitative analysis should be performed, which simulates the potential financial impact of risks occurring as well as the anticipated total project cost.

38. For the largest and most complex projects, such as the strategic heritage plan in Geneva and the renovation of Africa Hall in Addis Ababa, risk management services should be performed by an independent entity, which should report directly to the project owner.

39. For all projects, risk mitigation actions should be developed and closely monitored. The risk management process is summarized in table 2.

Table 2
**Risk management process**

| *Tasks* | *Deliverables* |
|---|---|
| Risk management planning | Risk management plan |
| Risk identification | Project risk register |
| Risk analysis (qualitative and/or quantitative) | Prioritized list of risks classified as high, moderate or low and analysis of the project's likelihood of achieving its objectives |
| Risk response | Risk response plan, including one or more of the following: residual risks, secondary risks, change control, contingency reserve (time or budget) and inputs to a revised project plan |
| Risk monitoring and control | Workaround plans, corrective actions, project change requests and updates to the risk response plan and to risk identification checklists for future projects |

## D. Establishment and management of project contingency provisions

40. The Office of Central Support Services has established guidelines for the establishment and management of project contingency provisions within a project budget on the basis of industry best practice, recommendations by the Board of Auditors, recent resolutions of the General Assembly and lessons learned from capital projects undertaken by the Secretariat.

41. In sections IX and X of its resolution 70/248, on the construction at ECA in Addis Ababa and the strategic heritage plan of the United Nations Office at Geneva, respectively, the General Assembly emphasized that contingency provisions approved for construction projects served to provide necessary safeguards against unforeseen cost overruns during project implementation, underlined that the estimation of project contingencies should be based on the identification of risks associated with the different phases of the project, and requested that the estimated contingencies be separated from the base project cost for presentation purposes only. The Assembly also decided that unused contingency provisions could be carried over to subsequent years and reallocated as new risks emerged and older risks were retired, consistent with industry best practice, and that all remaining unused contingency funds shall be returned to Member States at the conclusion of the project.

42. The quantitative risk analysis described above should be used to establish the amount of contingency provisions to be budgeted for a large-scale project. The stage of implementation during which a qualitative analysis is required is after the initial planning phases, at the beginning of the design phase when sufficient design and cost estimating information is available and prior to the approval of overall project funding. Prior to that stage, a deterministic approach may be used, meaning that a straight percentage may be applied to the base estimate, when adequate design and cost estimating information is not yet available and when an accurate understanding of both the impact and likelihood of risks is not yet known, as is common in the industry.

43. The use and management of contingency provisions should be formally documented and formally controlled through a structured procedure that includes contingency expenditure authorization, ongoing monitoring and reporting. Appropriate delegations of authority for the approval of the use of contingency provisions should be established. Ongoing evaluation and assessment on the usage of contingency provisions should also be performed on actual contingency expenditure versus remaining contingency provisions for each reporting period, for the duration of the project.

# IV. Updated capital maintenance programme

## A. Progress made since the previous report

44. Since the previous report, the centralized database of projects has been finalized and staff training at Headquarters and offices away from Headquarters and regional commissions was completed in May 2015 in the context of the annual meeting of facilities managers. Although this marked the formal completion of the initial strategic capital review, the review and the database will be continuously updated as project priorities evolve and as new business transformation initiatives, organizational policies and mandates emerge.

45. Additionally, projects that comprised what is referred to in IPSAS terminology as "assets under construction", that is, construction projects that span more than one financial period, have been successfully input into Umoja and are currently being managed by the requisite local project teams in Umoja. The Overseas Properties Management Unit at Headquarters has the ability to monitor these projects in Umoja, which affords greater clarity and consistency to all internal project constituents when determining the level of completion of a given project.

## B. Updated list of near-term capital projects

46. In line with resolution 69/274 A, in which the General Assembly stressed that the development of a long-term capital programme should include within its scope a prioritization strategy, the Secretariat confirms that the projects initially proposed were prioritized in accordance with needs-based assessments. Figure I in the previous report presented a list of near-term capital expenditure projects and other projects for the period 2013-2027 and categorized them according to one of three primary objectives:

(a) Life safety: to meet industry norms related to health and safety issues, including earthquake (structural) remediation and fire safety;

(b) Modernization and maintenance of property value: to modernize outdated major building systems in order to meet industry norms and to replace buildings according to a life cycle approach in order to maintain property value;

(c) Programmatic objectives: to respond to changing client needs.

47. The projects were listed in order of priority, while also taking into consideration organizational capacity limitations, both at Headquarters and offices away from Headquarters. However, upon further consideration, the Secretariat, after

consultation with the United Nations Office at Nairobi, considers that two projects, the expansion and modernization of the conference facilities at Nairobi (referred to as project "conference east" and project "conference west" in figure 1 of the previous report), may no longer be considered as a priority, though they may be taken up again in the future. All of the other projects remain priorities for the Organization.

48. Additionally, the list as presented in the previous report did not clearly identify the total projected cost estimates for each of the projects identified, given that the scope of the report was from 2018 to 2037, i.e., the table did not include the projected requirements of the biennium 2016-2017, including necessary pre-planning and design activities for several of the projects. In its resolution 70/247, the General Assembly approved resources included in the proposed programme budget of the Secretary-General for the biennium 2016-2017 that were directly related to the projects included in the initial strategic capital review.

49. In order to provide the General Assembly with a more complete understanding of the total requirements, the requirements for the biennium 2016-2017 have now been updated (see table 3).

Table 3

**Sequencing of near-term capital projects and other construction works**
**Projected timeline and capital requirements for the period 2015-2017**

(In millions of United States dollars)

| *Project* | *Requirements* | *2015* | *2016* | *2017* | *2018* | *2019* | *2020* | *2021* | *2022* | *2023* | *2024* | *2025* | *2026* | *2027* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1. Approved and ongoing capital projects** | | | | | | | | | | | | | | |
| Headquarters — capital master plan | 2 309.1 | | | | | | | | | | | | | |
| United Nations Office at Geneva — strategic heritage plan | 836.5[a] | | | | | | | | | | | | | |
| International Residual Mechanism for Criminal Tribunals, Arusha, United Republic of Tanzania — new construction | 8.8 | | | | | | | | | | | | | |
| Economic and Social Commission for Western Asia — United Nations premises, blast mitigation | 5.7 | | | | | | | | | | | | | |
| Economic Commission for Africa — Africa Hall renovation | 56.9 | | | | | | | | | | | | | |
| **2. Long-term accommodation needs** | | | | | | | | | | | | | | |
| Headquarters — long-term accommodation needs | | | | | | | | | | | | | | |
| Estimated cost | To be determined | | | | | | | | | | | | | |
| **3. Anticipated near-term capital projects** | | | | | | | | | | | | | | |
| **3.1 Life safety objectives** | | | | | | | | | | | | | | |
| Economic and Social Commission for Asia and the Pacific — secretariat tower | | | | | | | | | | | | | | |
| Estimated cost | 35.1 | | 0.4 | 8.6[b] | 5.5 | | 5.9 | | 4.6 | | 5.1 | | 5.1 | |
| Economic Commission for Africa — old office building | | | | | | | | | | | | | | |
| Estimated cost | 13.7 | | | | | | 3.1 | | 5.3 | | 5.3 | | | |
| **3.2 Modernization objectives** | | | | | | | | | | | | | | |
| United Nations Office at Nairobi — blocks A-J | | | | | | | | | | | | | | |
| Estimated cost | 44.1 | | 0.6 | | 21.8 | | 21.8 | | | | | | | |
| United Nations Office at Nairobi — site infrastructure | | | | | | | | | | | | | | |
| Estimated cost | 18.8 | | | | 3.1 | | 4.2 | | 5.4 | | 6.1 | | | |
| Economic Commission for Latin America and the Caribbean — north building | | | | | | | | | | | | | | |
| Estimated cost | 7.1 | | 0.05 | | 1.6 | | 5.5 | | | | | | | |
| **3.3 Programmatic objectives** | | | | | | | | | | | | | | |
| Economic Commission for Africa — cafeteria and library | | | | | | | | | | | | | | |
| Estimated cost | 12.5 | | 0.4 | | 2.3 | | 4.7 | | 2.5 | | 2.5 | | | |
| Estimated cost of anticipated projects | | | 1.4 | | 34.3 | | 45.1 | | 12.4 | | 19.0 | | 5.1 | |
| **4. Ongoing construction, alteration, improvement and major maintenance projects (section 33 of the programme budget)** | | | | | | | | | | | | | | |
| Estimated cost | | | To be determined | | 76.5 | | 74.9 | | 77.8 | | 89.7 | | 111.2 | |
| **Estimated total capital maintenance requirements** | | | | | **110.8** | | **120.0** | | **90.2** | | **108.7** | | **116.3** | |

*Legend:*

- Planning and design phases
- Construction phase
- Post-completion activities
- Implementation phase of projects not yet approved
- Planning phases of projects not yet approved

*Notes:*

[a] Requirements for the strategic heritage plan are in Swiss francs.

[b] Economic and Social Commission for Asia and the Pacific $8.6 million (remainder of initially proposed $9.0 million) only reflected as a place holder; the actual amount will be determined in the upcoming detailed study due to be submitted to the General Assembly at its seventy-first session.

[c] Preliminary design fees for the old office building are included with cafeteria/library fees for the biennium 2016-2017.

50. A summary of the proposed projects listed above is given below.

*United Nations Office at Nairobi — replacement of office blocks A to J*

51. As indicated in paragraph 34 of the previous report of the Secretary-General, the preliminary plan would be to replace prefabricated blocks A to J. This is recommended because the blocks were constructed as temporary facilities in 1974 and are now 40 years old, have exceeded their useful life and are in urgent need of replacement. The aim is to create a more modern, flexible and efficient workspace environment to accommodate an increased number of staff on the compound and to comply with all local and international building regulations.

52. In the biennium 2016-2017, the United Nations Office at Nairobi will undertake a feasibility study and an initial project scope review, including structural, seismic and detailed space usage studies. In addition, the Office intends to initiate a flexible workplace strategy pilot, the findings of which will be reported to the General Assembly and incorporated into the final proposed design of the buildings. The total estimated cost of the project has been updated to include design fees, which were not included in the previous estimate.

*United Nations Office at Nairobi — campus-wide infrastructure upgrades and improvements*

53. It is proposed to implement campus-wide infrastructure upgrades in order to address existing health and safety issues and non-compliance with local and international regulations and to achieve better energy efficiencies as well as compliance with accessibility standards when performing renovation works. These upgrades include:

(a) Energy infrastructure: main electrical supply, backup generator electrical supply, power redundancy link between main switchgear rooms and upgrading host country authority incoming supply and photovoltaic installations, among others;

(b) Water management infrastructure: upgrades to potable supply, storage tanks, booster pumps, pressurized ring mains and fire suppression storage tanks and distribution systems, among others;

(c) Waste management infrastructure: new septic tank and treatment plant and sewage network for old blocks, rehabilitation of existing campus-wide oxidation ponds and wetlands, among others;

(d) Transport infrastructure (parking and site access): new secondary security access road, replacement of western area parking and new additional floor in the eastern car park;

(e) Fire detection and alarm remedial improvements: test, replace and supplement as necessary fire detectors in all buildings, emergency lighting with battery backup to all blocks, emergency exit signage to buildings campus-wide, additional hose reels to blocks M to X, among others.

*Economic Commission for Latin America and the Caribbean — north building refurbishment*

54. Also as indicated in the previous report, the north building, which was originally conceived as a temporary building, was built in 1989. Given the age of

the building and the fact that it was intended to be temporary, maintenance costs are high and remodelling will be costly. The recommended action is, therefore, to execute a complete building refurbishment, retaining the main structure, fireproofing the building and replacing the roof, facade and interior finishes. In addition, ECLAC intends to initiate flexible workplace strategies in the building.

55. In the biennium 2016-2017, ECLAC will perform a feasibility study and an initial scope review, including structural, seismic and detailed space usage studies. It should be noted that the proposal for the functional retrofitting of interior space in the printing building during the biennium 2016-2017 would also support the future north building refurbishment because the printing building could then serve as swing space during the construction.

*Economic Commission for Africa — old office, library and cafeteria buildings*

56. As indicated in the previous report, the proposed renovation of the library and cafeteria would include structural reinforcement, remodelling of the kitchen, upgrades to the facades, upgraded interiors and elevators, energy efficiency initiatives, replacement of water pipelines, upgrade of the mechanical and electrical systems and renovation of the sewage system. Because the buildings serve programmatic functions that are not primarily office or conference space, this project is categorized as "programmatic requirements" and not "life safety", though the buildings do require structural and mechanical work to make them comply with prevailing life safety/building codes.

57. In the biennium 2016-2017, ECA would examine the exterior and structure of the old office, library and cafeteria buildings and design the library and cafeteria complex. The resources would also provide for an evaluation of the swing space needs for the preliminarily planned projects. The overall proposal under the strategic capital review would ensure the achievement of an adequate long-term solution for all of the buildings on the west side of the campus, following the renovation of Africa Hall and the subsequent proposed renovation of the old office, library and cafeteria buildings. The total estimated cost of the project has been updated to include design fees and contingency, which were not included in the previous estimate.

# V. Other considerations

## A. Accessibility

58. The General Assembly, in its resolution 70/170 on the full realization of an inclusive and accessible United Nations for persons with disabilities, requested the Secretary-General to submit at its seventy-first session a comprehensive report on the status and application of existing regulations relating to reasonable accommodation and the status of facilities and services relating thereto and areas that needed improvement to ensure full accessibility, following universal design, and reasonable accommodation within the United Nations system, including its agencies, funds and programmes, and regional offices.

59. Given that accessibility is one of the key objectives of the strategic capital review, the Secretariat, in the first stage of the review, had determined which prevailing international and local accessibility codes apply to each of the eight primary locations within the scope of the review; these are shown in annex II.

60. Each of the projects proposed under the review includes an accessibility aspect and one of the main objectives of each renovation project is to bring existing buildings up to minimum code requirements. Additionally, the Secretariat intends to go beyond minimum requirements and aspires to follow international best practice in the area of universal design and reasonable accommodation in the projects.

61. Representatives of the Office of Central Support services are actively involved in the Inter-Departmental Task Force on Accessibility, which aims to establish applicable best practices at the United Nations. The Office will also provide input to the forthcoming report, will await relevant decisions from the General Assembly and be prepared to incorporate them into future reports on the strategic capital review.

## B. Long-term accommodation needs at offices away from Headquarters

62. In section VII, on the long-term accommodation needs at United Nations Headquarters for the period from 2014 to 2034, of its resolution 69/262, the General Assembly requested the Secretary-General to include, as appropriate and within the scope of his reports on the strategic capital review and the global service delivery model, information concerning long-term accommodation needs for United Nations offices away from the Headquarters, including in Geneva, Nairobi and Vienna and for the regional commissions.

63. A summary of the present staffing levels at those duty stations is given in table 4.

Table 4
**Staffing levels at Headquarters and offices away from Headquarters**

| *Duty station* | *Staff (Secretariat only)* | *Number of owned buildings* | *Secretariat staff in owned buildings* | *Number of leased buildings* | *Number of Secretariat staff in leased buildings* | *Total staff accommodated in United Nations Secretariat-owned and leased building[a]* |
|---|---|---|---|---|---|---|
| Headquarters | 8 500 | 9 | 4 800 | 8 | 3 700 | 8 850 |
| United Nations Office at Geneva | 3 500 | 33 | 2 800 | 2 | 700 | 3 500 |
| United Nations Office at Vienna[b] | 1 160 | 17 | 1 140 | 1 | 20 | 6 000 |
| United Nations Office at Nairobi | 1 000 | 39 | 1 000 | 0 | 0 | 3 500 |
| Economic Commission for Africa | 1 480 | 20 | 1 410 | 8 | 70 | 2 650 |
| Economic Commission for Latin America and the Caribbean | 850 | 9 | 670 | 7 | 180 | 850 |
| Economic and Social Commission for Asia and the Pacific | 900 | 3 | 900 | 9 | n/a | 2 000 |
| Economic and Social Commission for Western Asia[b] | 450 | 0 | 450 | 2 | 0 | 450 |
| **Total** | **17 840** | **130** | **13 170** | **37** | **4 670** | **27 800** |

[a] Includes specialized agencies, funds and programmes, as well as United Nations-affiliated entities.
[b] The United Nations Office at Vienna and the Economic and Social Commission for Western Asia are housed in donated right-to-use facilities; they are shown in the "owned" column for presentation purposes only, to distinguish them from commercial leases.

64. Only the Offices in New York and Geneva have large numbers of Secretariat staff located in leased space, whereas the comparatively small numbers of staff in leased spaces at the regional commissions are located exclusively in subregional offices. The long-term accommodation requirements of the Secretariat staff in New York are being addressed in the context of the long-term accommodation study, as per the most recent report of the Secretary-General on the subject (A/70/398). The long-term accommodation requirements of the Secretariat staff in Geneva are being addressed in the context of the strategic heritage plan, through which the 700 staff of the Office of the United Nations High Commissioner for Human Rights currently located in leased space will be housed within the UNOG complex, as per the most recent report of the Secretary-General on the subject (A/70/394 and Corr.1).

65. Accordingly, the scope of the strategic capital review has, to date, focused primarily on the maintenance of existing owned assets that house Secretariat staff and has not included any concerted efforts on the part of the Secretariat to attract additional specialized agencies, funds and programmes to be housed within existing owned United Nations facilities. Should the General Assembly instruct the Secretary-General to consider the requirements of specialized agencies, funds and programmes in the scope of the strategic capital review, updates on the same could be included in future reports.

66. In its resolution 70/248, the General Assembly requested the Secretary-General to report on the development of a global service delivery model at the main part of its seventy-first session, taking into account lessons learned and best practices of all ongoing business transformation initiatives and the use of all existing United Nations infrastructure, including that away from Headquarters.

## C. Flexible workplace strategies

67. The Secretary-General will submit a progress report on the implementation of flexible workplace strategies in New York at the first part of the resumed seventieth session of the General Assembly.

68. In addition to progress in New York, the report explains that, as a next step, the Secretariat aims to continue to provide support to the United Nations Office at Geneva in incorporating flexible workplace strategies into the strategic heritage plan and to other interested offices; these include the United Nations Office at Nairobi, ECLAC in Santiago and ESCAP in Bangkok, as described in the present report.

69. Future reports on the strategic capital review will respond to any outcomes of the implementation of Umoja, flexible workplace strategies and the global service delivery model, should they result in significant changes in staffing levels and/or the total number of assigned seats at the duty stations included in the strategic capital review as compared with existing conditions. In the meantime, however, the Secretary-General considers that it is prudent practice for the management and stewardship of the real estate assets of the Organization to proactively pursue a capital maintenance programme for these assets, which, more important than maintaining property value, are necessary to ensure the ongoing safety of its delegates, staff and visitors.

70. Moreover, given that the projects proposed under the strategic capital review aim to provide the Organization with more modern and flexible work environments, and that such environments would only support other ongoing business transformations, the Secretary-General considers that such projects should be prioritized accordingly.

## D. Budgeting and funding mechanisms

71. The primary aim of the initial strategic capital review is to accurately estimate and predict capital requirements and to be used primarily as a planning document. The review also proposed, secondarily, to present possible funding alternatives for consideration by Member States, with the aim of identifying mechanisms that better reflect the multi-year nature of capital projects. One option that was proposed for further examination was the creation of a separate multi-year capital reserve fund, separate from the biennial programme budget resources approved under major maintenance, alterations and improvements, to cover capital investment in fixed assets.

72. Additionally, in 2008, the United Nations System Chief Executives Board for Coordination conducted a survey of the capital budget structure and funding of various United Nations and affiliated organizations. Most of the organizations had policies in place regarding capital budgeting; several organizations linked the levels of funding with an overall asset management programme, such as tracking asset depreciation levels and scheduling replacement, or establishing a stated goal of linking funding levels with overall asset value. Several organizations established dedicated capital funds and used multiple income sources to replenish the funds.

73. However, in view of the fact that the General Assembly, in its resolution 69/274 A, recalled its resolution 68/247 B and reaffirmed that any potential proposals stemming from the strategic capital review with budgetary implications should follow the procedure set out in the Financial Regulations and Rules of the United Nations, the Secretary-General is no longer pursuing, at this stage, the option of establishing a separate capital reserve fund. Subject to additional guidance from the Assembly further to its consideration of the present report, more information may be provided on possible funding mechanisms in future reports.

74. In addition to further considering the merits of the above, the Secretariat is also guided by recent resolutions of the General Assembly on various capital projects, including section IX of resolution 70/248 on the Africa Hall project, section X on the strategic heritage plan and section XII on the proposed seismic mitigation project at ESCAP. In that resolution, the Assembly encouraged the Secretary-General to seek voluntary contributions and other possible alternative funding mechanisms and also noted the important roles played by host countries.

# VI. Recommended actions to be taken by the General Assembly

75. **It is recommended that the General Assembly:**

(a) **Take note of the present report;**

(b) **Request the Secretary-General to submit an updated report on the long-term capital maintenance programme (2018-2037) at the main part of the seventy-second session.**

# Annex I

## Roles and responsibilities matrix: reference project governance structure

| *Role* | *General information* | *Main responsibilities* |
|---|---|---|
| **General Assembly**<br>Also known as:<br>• Investment decision maker<br>• Client<br>• Employer<br>• Project sponsor | – | • Authorizes an investment and the business case<br>• Authorizes the project owner and approves the required resources<br>• Authorizes changes and modifications beyond authorized limits |
| **Project auditing**<br>Also known as:<br>• Quality assurance<br>• Investigation group<br>• Auditor | Related role of the United Nations system:<br>• Board of Auditors<br>• Office of Internal Oversight Services (OIOS)<br>Reports to:<br>• General Assembly<br>• Secretary-General (respectively) | • Assures the client/owner that specified business needs of the organization are satisfied through the project and that the project is executed efficiently in compliance with organizational rules and regulations<br>• Assures the client/owner that the contracts are administered in compliance with their terms and conditions<br>• Evaluates the project performance/ implementation by means of executing audits, investigations and inspections<br>• Provides independent information about the project and its progress to the client/owner |
| **Project owner**<br>Also known as:<br>• Programme manager<br>• Programme director<br>• Senior responsible owner | Related role of the United Nations system:<br>• Under-Secretary-General<br>• Assistant Secretary-General<br>• Other<br>Nominated by:<br>• Secretary-General; approved by General Assembly<br>Reports to:<br>• General Assembly<br>• Secretary-General, Under-Secretary-General, Assistant Secretary-General | • Personally accountable for the project's success<br>• Acts as interface between client and the project<br>• Selects and appoints the project executive and independent advisers to provide knowledge and expertise as required (e.g., management of risks, budget, benefits, etc.)<br>• Sets tolerances on project constraints for decision-making by project executive (costs, time, scope, quality, risks, benefits)<br>• Provides the resources for successful project execution<br>• Establishes the programme governance structure<br>• Ensures that business needs are clear and protected<br>• Oversees and protects the business case and budget |

| *Role* | *General information* | *Main responsibilities* |
|---|---|---|
| | | • Advises and reports on progress, issues, exceptions and risks<br>• Approves exceptions, changes and modifications in line with delegated authorities<br>• Authorizes the design, recommendations on escalated issues and risks, changes and modifications beyond authorized limits and project closure and takes over ownership of the project product(s) |
| **Project oversight**<br>Also known as:<br>• Steering committee | Related role of the United Nations system:<br>• Senior officials from various United Nations departments and offices<br>• Office of Central Support Services<br>Nominated by:<br>• Project owner<br>Reports to:<br>• Project owner | • Provides delegated oversight, advisory and support services for the project owner<br>• Supports the decision-making process by providing advice, guidance and organizational/technical knowledge and expertise; ensures that the project governance structure satisfies the needs of both the Organization and the project<br>• Ensures that organizational strategies, rules and regulations are incorporated into the managerial framework of the project<br>• Ensures that project constraints (cost, time, quality, scope, risk, benefits) do not exceed authorized limits and that the project develops in accordance with set milestones<br>• Ensures the appropriate implementation of communication and stakeholder information strategies<br>• Ensures that the project delivers a product that fits its intended purpose, delivers the expected benefits and meets the defined objectives of the business case<br>• Reports to the project owner on the overall project progress as well as on escalated issues and exceptions |

| *Role* | *General information* | *Main responsibilities* |
|---|---|---|
| **Independent risk management** | Related role of the United Nations system:<br>• External to the United Nations<br>Nominated by:<br>• Project owner<br>Reports to:<br>• Project owner | • A function of project oversight that is outsourced to ensure independence<br>• Assesses risks and provides the owner/executive with a second opinion that is independent from the project and evaluates the possible financial impact of such risks<br>• Assesses risks and issues that were escalated by the project executive and makes recommendations to the project owner on how to respond to such issues and risks<br>• Assists in providing assurance to the project owner that possible impacts of project risks do not exceed authorized limits (costs, time, quality, scope, benefits) |
| **Project executive**<br>Also known as:<br>• Project sponsor<br>• Project director<br>• Client's representative<br>• Owner's representative | Related role of the United Nations system:<br>• Qualified individual<br>Nominated by:<br>• Project owner<br>Reports to:<br>• Project owner | • Acts as interface between project owner and the project<br>• Supports the project owner<br>• Responsible for project delivery; approves the actions to be taken by the project manager<br>• Selects and appoints the project manager<br>• Coordinates and directs user inputs to minimize major risks (e.g., acceptance disputes, uncontrolled change, etc.) and to meet business needs<br>• Makes decisions within delegated authorities and directs the project towards success<br>• Establishes the project organizational structure and approves the project team<br>• Develops and protects the business case<br>• Delegates tolerances for managing project constraints to the project manager (costs, time, scope, quality, risks, benefits)<br>• Approves the resources needed for a successful project<br>• Oversees the development of the business case, strategic brief, project execution plan, project brief and the benefits review plan (baseline for before-after comparison)<br>• Focuses on the realization of benefits<br>• Ensures provision of input from champions and users during the design development |

| *Role* | *General information* | *Main responsibilities* |
|---|---|---|
| | | • Approves the design<br>• Approves actions of the project manager<br>• Approves exceptions, changes and modifications<br>• Ensures that the project delivers the intended quality outcomes in line with applicable rules, regulations and the contract<br>• Advises and reports on progress, issues, exceptions and risks<br>• Confirms acceptance of all project products<br>• Authorizes project closure |
| **Project assurance** | Related role of the United Nations system:<br>• Qualified individual(s)<br>Nominated by:<br>• Project executive and/or<br>• User(s)<br>Reports to:<br>• Project executive | • Provides assurance for the project executive that the project management strategy and its implementation are in accordance with organizational rules, regulations and standards<br>• Provides assurance for the project executive and user(s) that the project management strategy is fit for delivering project outcomes meeting user (customer) requirements and intended benefits<br>• Provides assurance that the project constraints (costs, time, scope, quality, risks, benefits) are being managed appropriately<br>• Provides assurance that good communication and liaising between the owner, executive and users is established and maintained throughout the project<br>• Ensures that the right people participate in the project and that project staff is properly trained<br>• Provides assistance for the project manager when planning, developing, monitoring and controlling the project execution to ensure compliance with organizational strategies, rules and regulations |
| **End users**<br>Also known as:<br>• Champions<br>• Senior stakeholders (internal)<br>• Users | Related role of the United Nations system:<br>• Information technology<br>• Security<br>• Conference services<br>• Public information<br>• Commercial activities<br>• Sustainability | • Ongoing involvement until the tendering phase starting as early as possible; responsible for confirming the realization of benefits<br>• Defines the vision for the individual project needs (e.g., information technology, security, etc.)<br>• Defines the needs and quality expectations of those who will use the product<br>• Assesses and confirms the viability of the project approach |

| *Role* | *General information* | *Main responsibilities* |
|---|---|---|
| | • Facility management<br>• Others<br><br>Nominated by:<br>• Project owner<br><br>Reports to:<br>• Project owner and/or<br>• Project executive | • Ensures a clear description of quality expectations in briefing documents (business case, quality management strategy, strategic brief and project brief, concept design, detailed design, technical design)<br>• Defines criteria against which the finished products and benefits will be assessed<br>• Ensures that the delivered design quality is in compliance with requirements<br>• Ensures that the project output meets the quality expectations<br>• Selects and appoints users, chairs relevant user panels<br>• Reviews and approves design schemes<br>• Delivers functional input to the design development (but not the design itself) on an ongoing basis<br>• Involved in the development of quality expectations<br>• Reviews and comments on design schemes |
| **Project manager**<br>Also known as:<br>• Client's representative<br>• Owner's representative | Related role of the United Nations system:<br>• Qualified individual<br><br>Nominated by:<br>• Project executive<br><br>Reports to:<br>• Project executive | • Responsible for the delivery of the project on a daily basis on behalf of the project executive<br>• Ensures that the project produces the required products within specified tolerances of time, cost, quality, scope, risks and benefits by implementing appropriate project controls<br>• Obtains approvals and acceptances from the project executive<br>• Assists the project executive in establishing the project governance structure<br>• Creates the team structure for the project and clearly defines the required roles and responsibilities; selects the members of the project team<br>• Advises in the selection of consultants and contractor(s)<br>• Assists the project executive in the preparation and maintenance of the business case, strategic brief, project execution plan, project brief and the benefits review plan (establishing the baseline for the before-after comparison)<br>• Participates in the design development |

| *Role* | *General information* | *Main responsibilities* |
|---|---|---|
| | | • Develops execution plans for the various project phases and stages<br>• Advises and reports to the project executive on progress, issues, exceptions and risks<br>• Nominates, leads and motivates the project team<br>• Is responsible for the product delivery; develops work packages in cooperation with team managers<br>• Authorizes consultants, contractors and suppliers in the implementation of work packages and ensures their appropriate implementation within delegated constraints (costs, time, scope, quality, risks, benefits)<br>• Validates and approves payment requests |
| **Project support**<br>Also known as:<br>• Project office | Related role of the United Nations system:<br>• General administration<br>• Document control<br>• Contract administration<br>• Quality control<br>• Scheduling services<br>• Procurement services<br>• Risk management<br>• Legal advisory<br>Nominated by:<br>• Project executive and/or<br>• Project manager<br>Reports to:<br>• Project manager | • Project support is the responsibility of the project manager who can assign support functions to various individuals (but the project manager remains accountable for them). This could include the following:<br>– General administration<br>– Contract administration<br>– Tracking and observing project controls (cost, time, quality, scope, risks, budget)<br>– Scheduling services<br>– Procurement coordination<br>– Legal advisory<br>• Establishes and maintains project files<br>• Establishes and maintains document control procedures<br>• Updates schedules and plans<br>• Collects and provides data, information and forecasts<br>• Administers meetings<br>• Maintains records and forecasts |

| *Role* | *General information* | *Main responsibilities* |
|---|---|---|
| **Integrated risk management** | Related role of the United Nations system:<br>• Qualified individual(s)<br>• Consultant<br>Nominated by:<br>• Project manager<br>Reports to:<br>• Project manager | • Assesses risks, financially evaluates these risks, and provides mitigation strategies to support the project manager in the decision-making process<br>• Develops strategies and recommendations for issues and risks that might impact the project beyond authorized limits and tolerances (costs, time, quality, scope, benefits)<br>• Assesses the development of the project in relation to risk management<br>• Performs qualitative and quantitative risk analyses, makes recommendations with respect to requisite contingency provision levels<br>• Assists in forecasting cost and time to completion |

# Annex II

## Accessibility standards and guidelines at the locations within the scope of the strategic capital review

The following is a list of prevailing local standards in force at the locations within the scope of the strategic capital review.

**Economic Commission for Africa**

- Guideline: Relevant British Standards and Codes of Practice

**Economic Commission for Latin America and the Caribbean**

- D.S. 47, General Ordinance of the General Law on Urban Planning and Buildings, article 2.2.8 and paragraph 4 of article 4.1.7 on facilitating access by persons with disabilities
- NCh 2077 or 2000. Building construction — Needs of disabled people in buildings — Design guidelines
- Guideline: European Concept for Accessibility

**Economic and Social Commission for Asia and the Pacific**

- ESCAP guideline: Promotion of Non-handicapping Physical Environments for Disabled Persons
- Guideline: United States Americans with Disabilities Act Standards for Accessible Design

**Economic and Social Commission for Western Asia**

- Accessibility for the Disabled — A Design Manual for a Barrier Free Environment

**United Nations Office at Nairobi**

- Local authority by-laws
- Kenya Building Code
- Relevant British Standards and Codes of Practice

**United Nations Office at Geneva**

- SIA 500:2009 Constructions without obstacles

**Headquarters**

- United States Americans with Disabilities Act Standards for Accessible Design

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Agenda item 146
**Financing of the International Residual Mechanism for Criminal Tribunals**

# Construction of a new facility for the International Residual Mechanism for Criminal Tribunals, Arusha branch

## Report of the Secretary-General

*Summary*

The present progress report is the fifth on the construction of a new facility for the International Residual Mechanism for Criminal Tribunals, Arusha branch, submitted pursuant to paragraph 13 of General Assembly resolution 69/276. It provides an update on the progress made on the project since the issuance of the previous report of the Secretary-General (A/69/734).

The project, which started in January 2012, was initially estimated to be completed in five years and three months, in the first quarter of 2017. In response to a request by the General Assembly to shorten the project's duration, the Secretary-General took a number of measures that reduced the projected timeline to four years, reflecting a reduction of 15 months. All of the pre-construction activities were completed in February 2015, and the construction stage began on 27 February 2015. Originally scheduled to last 12 months, works on site experienced some difficulties, including a topographical error that resulted in the shifting of the contractual completion date to the beginning of April 2016, and other challenges that have since been resolved but may push the anticipated completion of work to May 2016. The project team, in close consultation with the Office of Central Support Services, developed and implemented mitigation measures to recover from the slower-than-expected progress, promote steady advancement and avoid further slippages.

The project remains within the approved budget, and the project team continues to be focused on achieving efficiencies wherever possible, in accordance with paragraphs 9 and 10 of resolution 69/276. It is expected that the project will be completed within the resources approved by the General Assembly.

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# I. Background

1. The project for the construction of a new facility for the Arusha branch of the International Residual Mechanism for Criminal Tribunals commenced in January 2012, following the adoption by the General Assembly of resolution 66/240 A. In that resolution, the Assembly decided to appropriate an initial amount of $3 million to cover expenses related to the conceptual design phase of the project. In its resolution 67/244 B, the Assembly authorized the activities related to all phases of the construction of the facility and authorized the Secretary-General to establish a multi-year special account for the project. In its resolution 68/257, the General Assembly appropriated an additional amount of $5.8 million, authorizing a total of $8.8 million for the project.

2. The Mechanism's new premises, currently under construction, are located atop a gently sloping hill on the outskirts of Arusha, on land donated by the United Republic of Tanzania. The design revolves around a single, prominent tree, representing justice in many parts of Africa, placed at the centre of a courtyard. Three buildings face the courtyard, namely the office, the archives and the courtroom. The buildings will be minimalistic and multipurpose, reflecting the Security Council's vision for the Mechanism as a lean and efficient institution. The design takes into full consideration the Convention on the Rights of Persons with Disabilities. Annex I to the present report contains pictures of the premises under construction.

3. Four progress reports were previously submitted outlining, inter alia, the project expenditure and costs, as well as the implementation of the requests and recommendations contained in relevant resolutions adopted by the General Assembly. The present report constitutes the fifth progress update. It describes the progress made since the previous report and provides information regarding the inclusion of local knowledge and capacity, office accommodation, application of lessons learned, mitigation of potential risks, efficiencies, utilization of existing usable furniture and equipment, and updated expenditure and projected cost to completion.

4. Since the previous report, the Mechanism:

(a) Continued to cooperate with the host State, including regarding the completion of the temporary road and the installation of power and water lines;

(b) Concluded the contract for construction services with a Tanzanian company on 19 February 2015;

(c) Handed over the site to the contractor, which started construction works on 27 February 2015;

(d) Completed the structure of the archives building and the court building, with the exception of the courtroom's cone, and the structure of the ground floor of the office building, with completion of the upper floor expected by mid-February 2016;

(e) Ordered the majority of the long lead time material and equipment;

(f) Implemented value engineering;

(g) Approved required orders;

(h) Continued risk monitoring and the implementation of mitigation measures;

(i) Continued to include local knowledge and capacity;

(j) Continued to apply best practices and lessons learned;

(k) Promoted closer cooperation and communication among stakeholders;

(l) Continued to liaise with neighbouring institutions;

(m) Strengthened the project's regulatory framework;

(n) Identified requirements for occupancy, operations and maintenance of the new facility;

(o) Identified assets to be used in the new facility.

5. Initially estimated at five years and three months, with a completion date in the first quarter of 2017, the project length was reduced to four years, in response to a request from Member States, a reduction of 15 months from the original timeline. All of the pre-construction phases (including site selection, conceptual design, development of programmatic and functional requirements, cost estimates, recruitment of the project manager, signing of the Supplementary Agreement with the host State, procurement of architectural services, detailed design, and procurement of construction services) were completed successfully with only minimal slippages from the project timeline contained in the fourth progress report (A/69/734) and within the total budget. This allowed for an effective start of the critical construction phase.

6. Construction works started on 27 February 2015 and were expected to be completed within 12 months. However, an unforeseen topographical error related to the disparity between the levels indicated in the architectural drawings and the actual ground levels, which were discovered during the initial phase of construction, resulted in the shift of the contractual completion date to 6 April 2016, an extension of 38 days. While this contractual completion date remains valid at the time of writing, slower-than-expected progress, due to additional challenges on site that have since been mitigated, may push the anticipated completion of works from April to May 2016, which would allow sufficient time for testing and commissioning. A revised timeline is provided in annex II.

7. The project remains within the total budget of approximately $8.8 million. The construction contract awarded was slightly higher than the budgeted price, which necessitated the use of a portion of the project contingency funding. Since the commencement of construction, only two change orders have been processed, which did not require the use of contingency but instead resulted in minor savings in the contract price.

8. The project team primarily responsible for the construction of the Mechanism's new premises in Arusha, guided by the Office of Central Support Services of the Department of Management, continues to closely monitor the risks associated with the project, with a view to developing appropriate mitigation strategies to ensure that the project is completed without further delays and within the overall budget.

# II. Progress made on the project during the reporting period

## A. Contracted services

### Construction services

9. The procurement process for construction services was concluded on 19 February 2015, with the signing of a contract between the Mechanism and the successful bidder for a total lump sum of $6,614,399. The successful bidder is a well-established local construction firm, Jandu Plumbers Ltd., whose portfolio includes landmark buildings in Arusha, including multipurpose complexes and art galleries. Based in Arusha, the contractor has more than 50 years of experience in the United Republic of Tanzania and is fully conversant in prevalent local design and construction practices, as well as shipping, importation and sourcing labour and materials in the region.

10. The signing of the construction contract was preceded by negotiations with the selected bidder in order to ensure that the overall project costs fell within the established budget for the project. The negotiations benefited from the presence in Arusha of representatives from the Procurement Division, the Overseas Property Management Unit of the Office of Central Support Services and the Office of Legal Affairs. The negotiations included a value engineering exercise, which identified areas where efficiencies could be obtained through alternative sourcing methods or potential substitutions without changing project scope or quality standards and resulted in a significant reduction from the original bid price.

11. The contract award price of $6,614,399 was roughly 4 per cent above budget, and the excess was charged against the project contingency fund. The higher-than-budgeted price is attributed mainly to the costs of imported electromechanical materials and equipment, which were more costly than expected owing to unforeseen market conditions. The cost of concrete, steel and other locally sourced material, however, fell within the budget. The project team continues to undertake ongoing value engineering and other risk mitigation measures to ensure that any similar unforeseen market effects do not adversely affect the overall project resources approved by the General Assembly.

12. The construction contract draws on relevant best practices from other capital projects. It is based on an industry standard form of contract adapted by the United Nations and familiar to local contractors and the market. Following a lump-sum scheme, it promotes cost certainty and mitigates the risks of cost overrun. It is in United States dollars, which is also the currency of the architectural services consultant contract and reduces the risks of currency fluctuations.

### Architectural services

13. During the reporting period, the project team continued to manage the full architectural services contract concluded on 26 February 2014 with the architectural and engineering consulting firm Ridge and Partners LLP, operating out of Oxford, United Kingdom of Great Britain and Northern Ireland, which partnered in the project with a subconsultant, FBW Architects and Engineers Ltd., operating out of Kampala.

14. During the construction phase, the architectural consultants provide construction administration and site supervision services, with the assistance of their resident supervisory team. The architectural consultants monitor that works conducted by the contractor proceed according to design and quality specifications, review the contractor's material submissions and work programmes, evaluate change orders and substitutions proposed by the contractor and recommend interim payments to the contractor.

15. In addition, the consultant architectural team provides input to ongoing value engineering discussions, including making recommendations and evaluating owner-recommended and contractor-recommended cost and schedule mitigation proposals.

## B. Construction progress

16. The site was handed over to the contractor on 24 February 2015. The project's construction phase officially commenced on 27 February 2015 with the issuance of the notice to proceed; the contractual schedule for completion of 12 calendar months started running from that day. In order to complete works within the contractual obligations, the contractor's strategy is predicated on performing concurrent work on the three main buildings of the premises, namely the archives, office and courtroom buildings, and the contractor has assigned a dedicated team to the construction of each building.

17. Excavation and earthworks commenced in March 2015 and were completed in April 2015 for the office building. However, an error in the architectural drawings with respect to the topography of the site, showing terrain levels for the court and archives building area as higher than the actual level, required that excavations be put on hold until the end of April 2015. The error resulted in a no-cost amendment to the contract but caused a delay to the project schedule.

18. Foundations for the office building were completed in June 2015 and for the archives and court buildings in August 2015.

19. In November 2015, the contractor completed the structure of the ground floor of the office building. In December 2015, the superstructure of the court building, with the exception of its conical element, the ancillary pedestrian security screening structure and the underground pump house were completed. The superstructure of the archives building was finished in the first week of January 2016. During January 2016, work on the upper floor of the office building continued to advance, with expected completion by mid-February 2016.

20. The fit-out of the interior and exterior of both the archives and court buildings and the ground floor of the office building started in January 2016. The fit-out of the first floor of the office building will commence immediately after the completion of the superstructure.

21. In parallel with the work on site, the contractor submitted long lead time material and equipment requests for approval in accordance with the established procedures. As at January 2016, the majority of such high-risk procurement items, including the heat, ventilation and air-conditioning system and electrical and plumbing material, as well as interior and exterior finishes, have been ordered by the contractor. At the time of writing, one remaining long lead time item, namely exterior windows, was outstanding and behind schedule. The project team continues

to track the item closely to mitigate delays in the overall project completion that may result from any potential further delay in sourcing the item.

22. The remaining works include: completion of the interior fit-out and exterior finishes; installation of electrical and plumbing elements, heat, ventilation and air-conditioning system and fire suppression system; external work, such as the drainage system; ducting and cabling for electrical and information technology equipment; installation of perimeter fencing; and landscaping of the courtyard, including transplanting the tree at the centre of the premises.

### C. Cooperation with the host State

23. The significant progress made in the project was facilitated by the continued close cooperation with and support provided by the United Republic of Tanzania, in accordance with the Supplementary Agreement to the Agreement between the United Nations and the United Republic of Tanzania concerning the Headquarters of the International Residual Mechanism for Criminal Tribunals, for the Premises of the Mechanism, of 5 February 2014.

24. During the reporting period, the host State completed the construction of a temporary access road to the site and installed power and water lines, all of which the host State donated at no cost to the United Nations. The exemption of the contractor and subcontractors, as well as consultants and subconsultants, from value added tax and import duties proceeded smoothly.

25. Cooperation with the host State was fostered by frequent formal and informal contacts between the Mechanism and various government officials, including through visits of the latter to the construction site. Most significantly, on 1 July 2015, the Mechanism marked the third anniversary of the Arusha branch with a cornerstone ceremony, which was officiated by the then President of the United Republic of Tanzania, Mr. Jakaya Mrisho Kikwete.

26. The Secretary-General expresses his appreciation to the Government of the United Republic of Tanzania for its continued cooperation and looks forward to the completion of the ongoing works for the permanent access road and the connection to electricity, water and the Internet.

## III. Project accountability

### A. Governance and project management

#### Project team

27. The project team is primarily responsible for the overall coordination and oversight of the project. The Assistant Secretary-General, Registrar, of the Mechanism is the project owner and, as the head of the project team, actively and closely monitors the project. He is assisted by the Head of Registry, Arusha branch, and the project manager. The composition of the project team has remained unchanged since the hiring of the project manager in the planning phase, which has ensured the consistency and continuity required to successfully deliver the project.

28. The project manager liaises with the architectural consultants and the contractor on a daily basis, in face-to-face meetings, through conference calls and formal correspondence and during her frequent visits to the construction site. An official coordination meeting attended by key personnel from the contractor, the architectural consultants and the United Nations is held at the site office once a month.

**Cooperation with stakeholders**

29. Since the issuance of the previous report, the project has continued to benefit from the cooperation of the Mechanism's Legal Team, Archives and Records Section, Public Information Section and Administration. In addition, technical support has been provided on a consistent basis by the Chief of Administration, the Budget and Finance Office, the Procurement Section and the Safety and Security Section of the International Tribunal for the Former Yugoslavia. As required, the International Criminal Tribunal for Rwanda has also provided assistance.

30. The Secretariat, in particular through the Office of Central Support Services and the Office of Legal Affairs, continued to offer technical advice and support to the project. The Mechanism and the Overseas Property Management Unit continue to liaise on a fortnightly basis but are often in contact much more frequently through videoconferences, conference calls, meetings and correspondence. During the construction phase, liaising with the Unit further intensified. In 2015, the Registrar met six times with representatives of the Office of Central Support Services regarding the project; owing to the overall intensity of activities during the present peak construction period, the Registrar has also attended fortnightly coordination meetings since November 2015.

31. In order to coordinate a wide network of stakeholders, the project team developed and maintains a communication plan outlining content, frequency and modality of communication among stakeholders and identifying the expected time frame for responses.

**Neighbouring institutions**

32. The Mechanism continued to engage with other international organizations and judicial institutions that are expected to move to the vicinity of its new premises, including the African Court on Human and Peoples' Rights, the African Union Advisory Board on Corruption and the African Institute of International Law. The Mechanism project continues to be at a more advanced stage compared with the projects of other entities in the area, which look to the Mechanism for lessons learned and sharing of experiences. The Mechanism remains committed to continuing these discussions as the neighbouring projects advance, with a view to creating synergies and fostering cooperation whenever it is economical, efficient, secure and possible to do so.

## B. Project oversight and audits

**Audits**

33. In accordance with resolution 67/244 B, the Office of Internal Oversight Services (OIOS) scheduled a three-stage audit process until the immediate post-

occupancy stage. The first formal audit of the project, which focused on planning and governance in the pre-construction phase, concluded on 28 February 2015, and the results were reported by OIOS through its annual report (A/70/318 (Part I) and Corr.1). According to that report, which contained satisfactory comments, including on the procurement of architectural consultancy services, OIOS found no critical or pervasive deficiencies. All of the four important recommendations raised have been closed.

**Regulatory framework**

34. During the reporting period, the Mechanism further enriched the regulatory framework of the project to guide its operations and promote consistency and oversight. Either at the initiative of the project team or in response to the recommendations of OIOS, key governance instruments were adopted or revised, including: (a) a comprehensive project manual drawing from the global guidelines for the management of construction projects; (b) change order procedures; (c) payment procedures; and (d) a project account monitoring procedure.

**Risk register**

35. OIOS found that appropriate measures were in place for identifying, assessing and communicating risks and mitigation measures. During the planning phase, the project team developed a risk register for the project that: (a) identified and categorized risks related to the project by specific area and nature; (b) quantified and assessed the risks for their likelihood and potential impact; (c) assigned an overall score to each risk; and (d) assigned each risk to its respective risk owner(s). The risk register is consistently monitored and shared with stakeholders. During the reporting period, it was updated to incorporate new risks that might arise during the course of the project and was reviewed on the basis of changes in circumstances that might have an impact on the identified risks.

36. At the time of writing, the second audit of the project, focusing on the construction stage, was under way.

## C. Value engineering

37. Pursuant to paragraphs 8 to 10 of resolution 69/276, and in accordance with the construction contract, the Mechanism consistently made efforts to seek efficiencies to execute the project within the allocated timeline and resources. A key tool was the identification and implementation of value engineering. The project team consistently worked with the contractor and the architectural consultants to explore options that might expedite the completion of works or the project as a whole, reduce costs and improve value or efficiency for the United Nations.

38. As a result, the project team approved the contractor's proposal for an alternative heating, ventilation and air-conditioning system, not included in the specifications of the contract. The system is one of the most expensive and high-risk procurement items in the project. The substitution will result in: (a) improved overall performance relative to the original specifications; (b) anticipated reduction of an eight-week lead time; (c) no price increase; (d) expected reduction in operating costs due to a higher energy efficiency rating compared with the

originally specified system; and (e) additional benefits, such as shorter response times for after-sales support.

39. The project team also approved the contractor's proposal to change the structure of the circular roof slab of the court building from the original design without affecting the appearance or quality of construction. This value engineering exercise is expected to reduce the lead time by six weeks.

## D. Continued inclusion of local knowledge and capacity

40. Pursuant to paragraph 5 of resolution 69/276, the project team continued its efforts to include local knowledge and capacity in the implementation of the project.

41. The incorporation of local elements, which has been a key feature of the project since its early planning phase, has continued even more robustly since the selection of a well-established Tanzanian contractor. The contractor's experience in sourcing labour and materials in the region, as well as its expertise in local construction methods and importation procedures, has been a crucial asset to the project. In addition, having such a long presence in Arusha and deep ties to the city and the community, the contractor has demonstrated an unwavering dedication to and passion for the project, which will be a landmark building in the region. All of the skilled and casual labourers on site come from Arusha and neighbouring communities and infuse the project with their own commitment, hard work and knowledge. All of the raw materials for the project, including cement, sand, gravel and timber, are local. The approved stones for the interior and external walls also come from the northern part of the country. Finally, the tree for the courtyard, which constitutes the centrepiece of the project, is being sourced from a local community.

## E. Lessons learned

42. In accordance with paragraph 7 of resolution 69/276, the project team continued its efforts to ensure that lessons learned and best practices from other capital projects, including construction at the United Nations Office at Nairobi, the Economic Commission for Africa and the capital master plan, were applied in the implementation of the project. The project team compiles and updates its own lessons learned and best practices for sharing with ongoing and future capital projects, as appropriate.

43. Relevant lessons learned that were applied during the reporting period include:

(a) Cooperation with the host State in all aspects of the project;

(b) Development of a project manual to provide clear operational procedures and internal project control mechanisms to manage costs and the schedule, drawing from the global guidelines for the management of construction projects;

(c) Adoption of a change order procedure and establishment of appropriate levels of financial and procurement delegation for change orders for the project;

(d) Establishment of duty-free and importing/shipping procedures;

(e) Continuity of the project team throughout the design and construction phases;

(f) Maintenance and fostering of a rigorous and transparent communication plan among stakeholders and risk owners;

(g) Avoidance of changes of scope during the construction;

(h) Early engagement with the facilities management services and development of maintenance requirements;

(i) Due consideration to reutilization of existing furniture and equipment;

(j) Maintenance of a log of lessons learned in the project and lessons learned in other projects applied to the project.

## IV. Project schedule

44. At the start of the project in 2012, its duration was estimated to be five years and three months. This was subsequently shortened by 15 months, as reported in the report of the Secretary-General (A/67/696). The project entered its fourth year with the successful completion of all of the activities of the pre-construction phase. The conclusion of that phase (which included site selection, conceptual design, development of programmatic and functional requirements, cost estimates, recruitment of the project manager, conclusion of the Supplementary Agreement with the host State, procurement of architectural services, detailed design, and procurement of construction services) with minimal slippages from the project timeline contained in document A/69/734 and within the total budget, with approximately 9 per cent contingency left, which is in line with standard industry practice, allowed for an effective start of the critical construction phase.

45. According to the construction contract and the project timeline contained in document A/69/734, construction works were scheduled to be completed within 12 months. Construction works started on 27 February 2015, with the contractual requirement that they be concluded on 28 February 2016. As a consequence of topographical-level disparity between the actual grounds and the architectural drawings, excavation and earthworks for the archives and court buildings were suspended from 20 March to 27 April 2015.

46. Following the initial notification of a 38-day delay due to the level disparity, the project team, in close coordination with the Office of Central Support Services, the architectural consultants and the contractor explored measures to recover the time lost. It was agreed that the contractor would develop a recovery workplan, which was premised on the recruitment of additional manpower and the extension of working hours on site, which included the implementation of two working shifts per day and work on weekends.

47. The execution of that mitigation strategy did not result in the recovery of the time lost, as additional difficulties with respect to site management turnover and quality control issues began to surface on site, leading to slower-than-expected progress.

48. While the contractor demonstrated its ability to swiftly mobilize and increase manpower on site, it was faced with unexpected site management challenges. In a four-month period, the contractor's full-time site manager, the key person who manages the day-to-day works on site, changed twice. The site management turnover led to some quality issues that in turn brought about unsatisfactory results

from concrete strength tests conducted between August and September 2015. Such routine tests are an industry best practice to verify that the structural works comply with the quality and design standards set forth in the construction contract. While some of the early tests did not produce satisfactory results, the defects have since been rectified and the work is progressing according to the prescribed quality standards.

49. In order to mitigate the risks of further delays resulting from site management and quality control issues, between July and December 2015 the following measures were agreed upon by the project team, the Office of Central Support Services, the architectural consultants and the contractor and were implemented as follows:

(a) A revised programme of work was developed by the contractor with the target of completing the superstructure of the three main buildings by mid-February 2016;

(b) Control measures were implemented by the contractor to promote and ensure consistency with respect to the quality of the works;

(c) The contractor reinforced its management team on site by assigning the contractor's most senior project manager full time to the project and through the recruitment of two new assistant site managers, who were on site by the end of September 2015;

(d) Value engineering was exercised with the approval of a substitution of the heating, ventilation and air-conditioning system in lieu of the original system. This allows a 33 per cent shorter lead time compared with the original manufacturer while offering additional advantages and efficiencies to the project, such as a higher-class energy efficiency rating and full after-sales support with a 48-hour response time, all at no additional cost to the United Nations;

(e) The project team continued to further strengthen coordination among stakeholders as follows: (i) increased close cooperation with the Office of Central Support Services by including the Registrar in the fortnightly coordination meetings, as well as more frequent and direct consultations between the contractor and the architects' team in Kampala, including through the organization of a web conference and ad hoc design consultations; (ii) expedited internal procedures, most notably the change order approval process, by establishing a change order procedure and seeking and obtaining an appropriate level of financial and procurement delegation of authority to the Chief of Administration of the International Tribunal for the Former Yugoslavia for processing change orders in the construction contract.

50. Since the implementation of those measures, the slippage experience due to the site management and quality control challenges has been halted, and construction work has progressed steadily. However, the time lost from the slower-than-expected progress due to the issues was not recovered. Therefore, while the contractual completion date remains 6 April 2016, at the time of writing, the most recent observations on the ground of the project team and the architectural consultants, which have been discussed with the Office of Central Support Services, would suggest the anticipated completion of works by May 2016, to allow sufficient time for testing and commissioning. The project is still subject to risks that could further affect the schedule, including: an inclement early rainy season; possible delays in the shipment and delivery of long lead time material; any problems with

the execution of the contractual drawings requiring remedial works; and any problems in communication between the contractor and the consultants.

51. The project team, in close coordination with the Office of Central Support Services, identified the following further mitigation measures, which the United Nations intends to implement in order to ensure that works are completed as soon as practicable within the contractual completion timeline and approved resources, as well as minimize any potential risks of further delays:

(a) Continue to explore further opportunities for value engineering, particularly with a view to mitigating risk of delay due to prolonged delivery and installation time;

(b) Continue to organize coordination meetings and further promote communication to explore modalities for expediting works and promptly resolving any issues on site as they arise;

(c) Continue to closely monitor potential risks, including financial risks, with a view to identifying suitable mitigation strategies;

(d) Consider planning for sectional completion pursuant to the construction contract, which would allow the United Nations to occupy and beneficially use part of the facilities while the remaining construction works are ongoing for other parts of the premises.

52. A revised project schedule, which takes into account the above-mentioned measures, is presented in annex II.

## V. Project expenditure and costs

53. The total budget approved for the project amounts to $7,737,362 (excluding a contingency of $1,050,371). The tables below show actual expenditure up to 31 December 2015 and projected expenditure during the remainder of the project.

## Actual and projected expenditure, 2013-2016 (excluding contingency)

(United States dollars)

| | | *Actual expenditure* | | | | *Projected expenditure from January 2016 until completion of the project*[b] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *Description* | *Approved*[a] | *2013* | *2014* | *2015 interim disbursements as at 31 December 2015* | *2015 obligations to be disbursed in 2016* | | *Total* | *Amount to be covered by contingency* | *Redeployment* | *Revised amount to be covered by contingency* |
| Construction[b] | 6 365 887 | – | 2 912 | 918 387 | 4 781 613 | 914 399 | 6 617 311 | (251 424) | – | (251 424) |
| **Architect and project management** | | | | | | | | | | |
| Architect fees[c] | 636 589 | – | 399 222 | 76 123 | 309 880 | – | 785 225 | (148 636) | 84 364 | (64 272) |
| Project supervision and management[d] | 635 800 | 155 919 | 143 172 | 154 582 | – | 70 200 | 523 873 | 111 927 | (111 927) | – |
| Travel[e] | 99 086 | 12 396 | 54 475 | 31 102 | 28 676 | – | 126 649 | (27 563) | 27 563 | – |
| **Subtotal** | **1 371 475** | **168 315** | **596 869** | **261 807** | **338 556** | **70 200** | **1 435 748** | **(64 272)** | **–** | **(64 272)** |
| **Total project cost (excluding contingency)** | **7 737 362** | **168 315** | **599 781** | **1 180 194** | **5 120 169** | **984 599** | **8 053 058** | **(315 696)** | **–** | **(315 696)** |

[a] Approved budget as presented in A/67/696, annex II.

[b] Corresponds to the portion of the contract not obligated against the 2014-2015 budget to be obligated in 2016.

[c] Reflects the cost of hiring an external architectural consultant firm to produce detailed construction documents, perform construction administration duties and assume the responsibility of the architect of record.

[d] Reflects the cost of hiring a project manager for the day-to-day management and coordination of project activities.

[e] Reflects the cost of the travel of staff between New York, The Hague and Arusha to provide technical assistance to the project.

**Contingency provision and expenditure, including projected expenditure, 2013-2016**

(United States dollars)

| *Description* | *Approved contingency*[a] | *Contingency expenditure* | | | | *Total remaining contingency* |
|---|---|---|---|---|---|---|
| | | *2013* | *2014* | *2015* | *2016* | |
| Construction[b] | 954 883 | – | – | – | 251 424 | 703 459 |
| **Architect and project management**[c] | | | | | | |
| Architect fees | 95 488 | – | – | 64 272 | – | 31 216 |
| Project supervision and management | – | – | – | – | – | – |
| Travel | – | – | – | – | – | – |
| **Subtotal** | **95 488** | **–** | **–** | **64 272** | **–** | **31 216** |
| **Total** | **1 050 371** | **–** | **–** | **64 272** | **251 424** | **734 675** |

[a] Approved contingency budget as presented in A/67/696, annex II.
[b] Calculated at 15 per cent of construction costs.
[c] Calculated at 15 per cent of architect fees.

## Use of contingency

54. On the basis of lessons learned from other capital projects, and in line with industry best practice, the General Assembly approved a contingency provision of $1,050,371, representing 15 per cent of the estimated project cost. A total amount of $315,696 is expected to be charged to the contingency fund to cover the higher-than-budgeted costs for the architectural and engineering consultancy services and construction services.

55. It should be recalled that the General Assembly, in paragraph 9 of its resolution 69/276, requested the Secretary-General to obviate to the extent possible the need for drawdown from contingency provisions for any cost overruns. Pursuant to that request, cost overruns under architect fees and travel were first partially and fully offset, respectively, from savings under project supervision and management, with the balance under architect fees and construction being covered against the project contingency provision.

56. The Board of Auditors considers contingency as a specific budgetary provision which is allocated in order to address expeditiously the cost impact of project risks, should they arise, without the need to delay the project and negotiate increased funding. Consequently, the contingency funding allocated to the project is viewed strictly as a device to manage risks and not to absorb general increases in project costs. In addition, there are no expectations that all of the contingency fund will be used; any unused amount at the completion of the project will be returned. The Board of Auditors considers that project governing bodies should assume responsibility for the overall management of contingency provisions. While the project, owing to its scope, does not have a governing body, the Secretary-General has nonetheless sought to introduce oversight measures and ensure adequate reporting in an effort to take that view into account.

57. During the reporting period, a robust analysis was undertaken before a construction contract for a higher-than-budgeted amount was awarded. The project team, in close consultation with the Office of Central Support Services, considered, in particular, the following circumstances and mitigating measures:

(a) The procurement exercise was conducted in full adherence to the United Nations procurement guidelines, and the companies were selected as a result of the best-value-for-money process. Although the costs were higher than the estimated budget compiled in 2012, the Procurement Division concluded that the fees were reasonable for the required scope of services and that, as found during the commercial evaluation, the bids were consistent and in line with the prevailing market prices;

(b) Prevailing market cost escalations were higher than the budgeted provision of 4 per cent per annum of the estimated project cost for cost escalation in some areas, particularly imported electromechanical materials and equipment;

(c) The budget for the project has not been adjusted since early 2012, at the beginning of the design concept phase;

(d) Other options were unsuitable, including rebidding, which would have entailed a delay of almost half of the entire length of the project, with no guarantee that the new tender prices would have fallen within the budgeted amounts;

(e) The use of contingency remained within the appropriated budget and within the intended use of contingency funds.

58. The project contingency provision currently has a projected available balance of $734,675. Although no additional contingency funds have been used to date, at the time of writing the project team was in negotiations with the architectural consultant for a contract amendment for any provisional additional services that might be required as a result of the longer-than-scheduled duration of construction. The project team fully expects that any such amendment can be executed well within available budgetary resources while leaving adequate remaining contingency to cover any additional risks.

**Change orders**

59. Pursuant to paragraphs 8 to 10 of resolution 69/276, and in accordance with the construction contract, the Mechanism consistently made efforts to seek efficiencies to execute the project within the allocated timeline and resources. Value engineering and change orders were used in the implementation of such efforts.

60. Best practices in capital projects indicate that change orders should be kept to a minimum. By applying the lessons learned in other projects to determine clearly the technical and programmatic requirements with stakeholders during the planning phase of the project, the number of required change orders thus far has been minimal. In addition, the project team ensured that change orders did not result in additional costs to the project by offsetting them with opportunities for savings.

61. Thus far, only two change orders have been issued, related mostly to the topographical error. They required no use of contingency but rather resulted in minor savings to the contract price. The change orders followed the procedure adopted by the project team, which strictly adheres to the provisions of the

Financial Regulations and Rules of the United Nations and the Procurement Manual and incorporates oversight mechanisms.

62. The Secretary-General remains committed to allocating resources in the most effective manner and to continuing to seek efficiencies during the implementation of the remainder of the project, so that the project is completed within the overall budget.

**Assets**

63. In accordance with paragraph 11 of resolution 69/276, the Mechanism has continued to actively engage with the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia regarding the reuse of existing assets, which has resulted in savings and efficiencies.

64. During the reporting period, the Mechanism strengthened its coordination and intensified its efforts to identify existing assets of the International Criminal Tribunal for Rwanda that could be reused in its new facility, particularly in the light of the closure of the Tribunal on 31 December 2015. A dedicated team, headed by a staff member of the Immediate Office of the Registrar, was set up to coordinate with both Tribunals, the project team and technical stakeholders in a centralized and coherent fashion all activities related to assets, including the identification of existing assets in good condition, transfer modalities and recording. The implementation of that task was supported by the development of a standard operating procedure, regular meetings, stringent record-keeping and physical inspections.

65. Thus far, the Mechanism has transferred more than 400 non-expendable assets from the International Criminal Tribunal for Rwanda, amounting to over $3 million based on acquisition value. The majority of those assets, which include office furniture, as well as office, security and information technology equipment, will continue to be used at the new facility. Approximately 60 per cent of the required furniture will be reused from the Tribunal. As at the time of reporting, the Mechanism continued to coordinate with the Tribunal's liquidation team to ensure that no opportunity was missed for reusing additional assets.

## VI. Planning of the post-construction phase

66. Immediately after the construction phase began, the Registrar started planning the post-construction phase through the creation of a dedicated working group tasked with identifying and coordinating the implementation of all actions required to ensure the timely and efficient occupation of a fully operational new facility. To ensure that the Procurement, Installation, Moving and Occupancy Working Group benefits from high-level coordination, well-informed decision-making and adequate technical expertise, it is composed of the Registrar, the Chief of Administration of the International Tribunal for the Former Yugoslavia, the project team, the Chiefs of Security, Information Technology, General Services and Procurement of the Tribunal, the project manager, Administration and legal officers of the Mechanism in Arusha. The Working Group has also received technical guidance and support from the Office of Central Support Services. It meets on a fortnightly basis by teleconference and closely oversees the implementation of its detailed and time-bound workplan. Since its inception, the Working Group has enabled the identification and transfer of

reusable assets for the new premises, led the procurement of necessary assets and equipment, identified end users and their requirements and concluded the early stages of planning for the move of staff, archives and assets. In the coming months, the Working Group will focus on coordinating the installation of specialized equipment and organizing the subsequent phases of the move and occupancy.

67. The Working Group is also planning for office space accommodation. The new premises have been designed to accommodate the minimal staff required by the Mechanism in Arusha for the performance of its mandated continuous functions. Dedicated, permanent office space will not be provided for the ad hoc staff who will report temporarily for duty to support trial activities when a fugitive is apprehended and tried by the Mechanism in Arusha. Roughly half of the ad hoc staff, including interpreters, court reporters, audiovisual technicians and witness support staff, will spend the majority of their time in court or at witness safe houses. As individual office space will not be required for such staff, they will be accommodated through the use of shared common areas within the facility, using flexible workplace strategies. Longer-term staff needed for trial activities that occur beyond the courtroom, including staff supporting the judges in drafting decisions and judgements, will be housed in prefabricated temporary offices on the grounds of the new facility.

68. In implementing the lesson learned in other capital projects that consideration should be given to early engagement with the facilities management services and the development of maintenance requirements, the position of Facilities Management Assistant, funded through the Mechanism's budget for the biennium 2016-2017, is currently being recruited to ensure the smooth transition and continuity of knowledge in the subsequent operation and maintenance of the facilities.

## VII. Actions to be taken by the General Assembly

69. **The General Assembly is requested to take note of the progress made on the project during the reporting period.**

# Annex I

**Rendering of the new Arusha premises of the Mechanism**

**New Arusha premises of the Mechanism as at January 2016**

# Annex II

## Project schedule as at January 2016